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ASSOCIATION OF BAY AREA GOVERNMENTS

POSITION PAPERS

SEMINAR ON REGIONAL HOUSING PLANNING
PROBLEMS AND APPROACHES, *Berkeley*

Friday, July 7, 1972, 12-8:30
Saturday, July 8, 1972, 9-12 Noon

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Hotel Claremont, Berkeley, California

Housing policy -- CA -- SF metro area
Housing -- Planning -- " -- "



SEMINAR ON REGIONAL HOUSING PLANNING

PROBLEMS AND APPROACHES

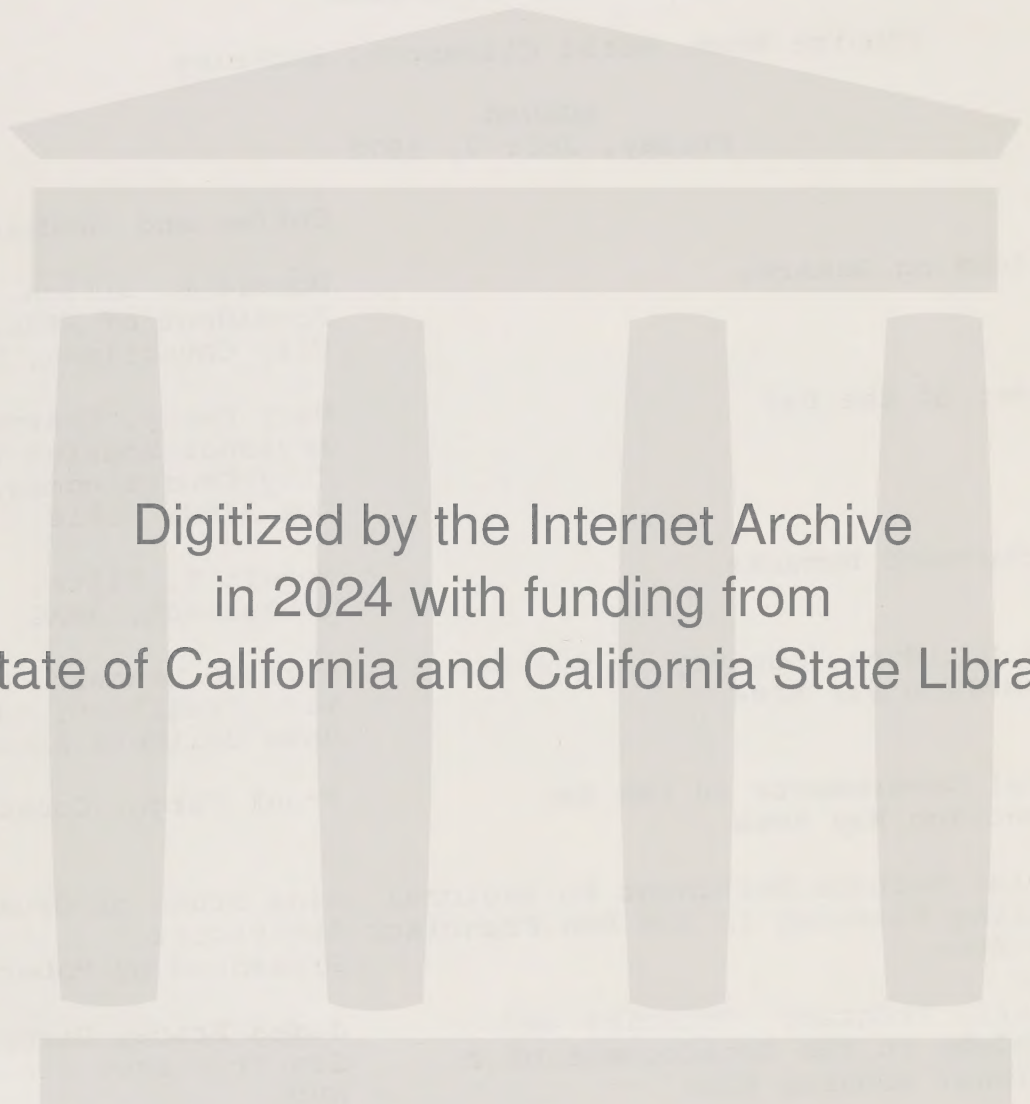
*Empire Room, Hotel Claremont, Berkeley

AGENDA

Friday, July 7, 1972

Noon		Coffee and Sandwiches
12:30	Welcoming Remarks	Donald F. Dillon, President of ABAG, City Councilman, Fremont
	Order of the Day	Mary Davey, Chairwoman, Regional Housing Task Force, City Councilwoman, Los Altos Hills
	Background Remarks	Robert B. Pitts, Consultant, ABAG
1:00	The Building Industry in the San Francisco Bay Area	William Leonard, Executive Vice President, East Bay Home Builders Association
1:30	Local Governments in the San Francisco Bay Area	Frank Fargo, Consultant
2:00	Social Factors Pertinent to Regional Housing Planning in the San Francisco Bay Area	Nina Gruen of Gruen & Gruen Associates. Presented by Roberta Mundy
2:30	Federal Programs, Policies and Problems in the Development of a Regional Housing Plan	James Price, Director, San Francisco Area Office, HUD
3:00	Sub-Housing Market Areas in the San Francisco Bay Area	Louis Loewenstein, Consultant Presented by Donald F. Codella ABAG Housing Staff
3:30	Transportation and Housing in the San Francisco Bay Region	Nancy Abodeely and Gale Bach, Staff, Metropolitan Trans- portation Commission

*Please note room change from Horizon Room to Empire Room.



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4:00	Local Housing Planning Activities in the San Francisco Bay Area	Nicholas Bevilacqua, Member, Housing Technical Advisory Committee, Community Development Officer, City of Pittsburg
4:30	Closing Summary	Mary Davey
5:30 - 7:00	Dinner in the Garden Room	
7:00	General Session: Discussion of the First Task: "The Why's of an Allocation Plan"	Members, Regional Housing Task Force
8:00	Adjourn	

ASSOCIATION OF



BAY AREA GOVERNMENTS

HOTEL CLAREMONT, BERKELEY, CALIFORNIA 94705 • 841-9730

SEMINAR ON REGIONAL HOUSING PLANNING

PROBLEMS AND APPROACHES

*Empire Room, Hotel Claremont, Berkeley

AGENDA

Saturday, July 8, 1972

9:00	Land Use Patterns in the Bay Area	Prepared by Paul Fullerton, Consultant
9:30	Chicano Population in the Bay Area	Jack Ybarra, Tiburcio-Vasquez Institute
10:00	Black Population in the Bay Area	Del Green Dukes and Associates
10:30	New Communities in the Bay Area	Chester McGuire, City and Regional Planning Department, University of California, Berkeley
11:00	Financing Community Support for the Development of a Regional Housing Plan	Richard Gerson, Consultant
11:30	Closing Remarks	Members of the Regional Housing Task Force
12:00	Adjourn	

ASSOCIATION OF BAY AREA GOVERNMENTS
1964-1965 ANNUAL REPORT

REPORT OF THE ASSOCIATION OF BAY AREA GOVERNMENTS

FOR THE YEAR ENDING DECEMBER 31, 1964

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REPORT OF THE ASSOCIATION OF BAY AREA GOVERNMENTS

Donald F. Dillon, President of ABAG
City Councilman Fremont
July 7, 1972

Welcoming Remarks
presented
to the
Seminar on Regional Housing Planning Problems and Approaches

Good afternoon. My name is Don Dillon; I'm a city councilman in Fremont and I am also President of ABAG. There are many of you whom I know; some of you I've never met. So, I'd like to ask that we begin by introducing ourselves aloud and be sure to tell us something about yourself. Pause.

Thank you and it's good to know that there is sufficient interest in what we are going to do that you, and I, were able to get away from our various jobs to be together.

The job that lies before you is the development of a Regional Housing Plan and for many of us the first question is: "What is a Regional Housing Plan?" As I see it, what we are concerned with doing is struggling to provide some short-term answers, however inadequate we recognize them to be, but more importantly, developing a long-range process that turns out some alternatives for housing patterns so we can try them to see which ones give us the best answers; we can try some out and if they don't work, we can try out some others.

One of the country's first regional housing plans was developed in Dayton-Miami Valley, Ohio by the Miami Valley Regional Planning Commission. Back there they developed the figures that told them how many of their people were not being housed, which communities were not providing housing for those who needed it and how many units of what type were needed. Then they told HUD where to fund subsidy units in order to begin to meet that need. They approached every community affected and went through the process of getting their plan approved at the local level and used their power of A-95 Review to

enforce it. This has become known as the Miami Valley "scatteration", "fair share", or "dispersal" plan. What this plan did was to consciously set about the task of getting communities to agree to work toward providing a certain number of units at a certain price to house people who otherwise were not finding housing. In the process, since they have one central city where the majority of subsidized units were going and people were commuting out to the suburbs for their jobs, they sought to disperse housing choice and thus, it was felt that people would be provided better housing in better locations.

Miami Valley's experience has certainly provided us with one direction to go in; there is strong Federal support for similar plans at regional levels all over the nation and other plans have sprung up in response to this. The question is, what does this have to do with us?

First off, I'm pretty sure that the Miami Valley plan taken verbatim won't work here because we're the Bay Area and not Dayton, Ohio; we're bigger in both population and land area; we're more diverse in terms of population, topography, climate, numbers of jurisdictions, etc.; and we have several central cities, not just one.

But let's suppose we do look at dispersal or allocation - and I think we must, if for no other reason than that we have cities which are or border on being impacted, they are in need of answers and housing, and some of them are in the suburbs - like Richmond and Pittsburg.

One of the first questions that comes up - and there are many I won't even have time to touch on - is this: When we open up housing choice in the suburbs, both racially and economically, what happens to housing choice in the central cities? There are inner city constituencies which have said that they prefer to remain inner city residents. If the use of existing or anticipated

HUD housing programs is our chief tool in this process, does that mean that inner cities like San Francisco and Oakland would receive less as such monies are dispersed to suburbia? After all, we already know that many of these people are inadequately housed.

A second consideration, and one that I know very well, is the question of the impact of housing development - not just subsidy housing - but all housing upon suburban communities. You know, when it comes to it, a great many of these towns are strapped to provide services to new development. And if private interests provide them, the cost is usually passed on to the potential resident. And we at ABAG recognize that as part of the larger urban growth issue and have begun discussions on that very item. However, another consideration for suburban communities is that there are already people there who are inadequately housed - people who commute pretty good distances to work because they cannot find housing close to their place of employment; elderly people who cannot afford the taxes on the homes they have spent years buying; middle-income, young, professional families unable to live where they work - as, for example, in Marin County where the Planning Department estimates an income of \$15,000/yr. is needed for a new home purchase.

At this point it begins to be clear that the issue of housing people adequately is both an urban and a suburban problem.

Another question that arises in formulating a regional housing plan is that we are only now beginning to learn something about the patterns of choice people have when housing opportunities are opened to them. That is, how far and into what kinds of neighborhoods will people move to occupy, say 235 or 236 housing? The staff tells me we've got some information on that which we will be making available in cooperation with HUD.

A fourth consideration is one of meeting housing needs in view of the growing constraints upon the environment. You all realize that while low density development to preserve open space is a critical concern to many, such an action does not yield housing to people who need it and may not be more than a token preservation of an ecological system. Neither of these seem very satisfactory. How shall we face this? Shall we encourage cities to develop their close-in land as a priority - even knowing that with that we must face the cost of previous unwise land use policies? How shall we put teeth into the requirements that each county's LAFCO implement their statutory requirement to place boundaries upon city expansion? Shall ABAG develop a maximum regional holding capacity? If we do, how do we enforce it and yet yield up the jobs and housing and education and recreation, etc., which are needed?

Now, I haven't finished and I've talked about five minutes, but I want to mention just a few other concerns: one, what is the relationship between the regional housing planning process and the decisions made in the private financing world? FHA has been a pace-setter to some degree in housing programs but the majority of new housing construction is privately financed and insured; two, there are other areas a regional housing plan can speak to: such concepts as land banking, development corporations, an information dissemination system and housing counseling programs to mention just a few; three, shouldn't a regional housing plan go beyond the question of the location of subsidized units to the question of total housing patterns? If so, how?

I realize that I have taken you over some difficult terrain in a short period of time. But then, you have been selected because of your knowledge, your backgrounds, your willingness to work - you are being asked to examine these

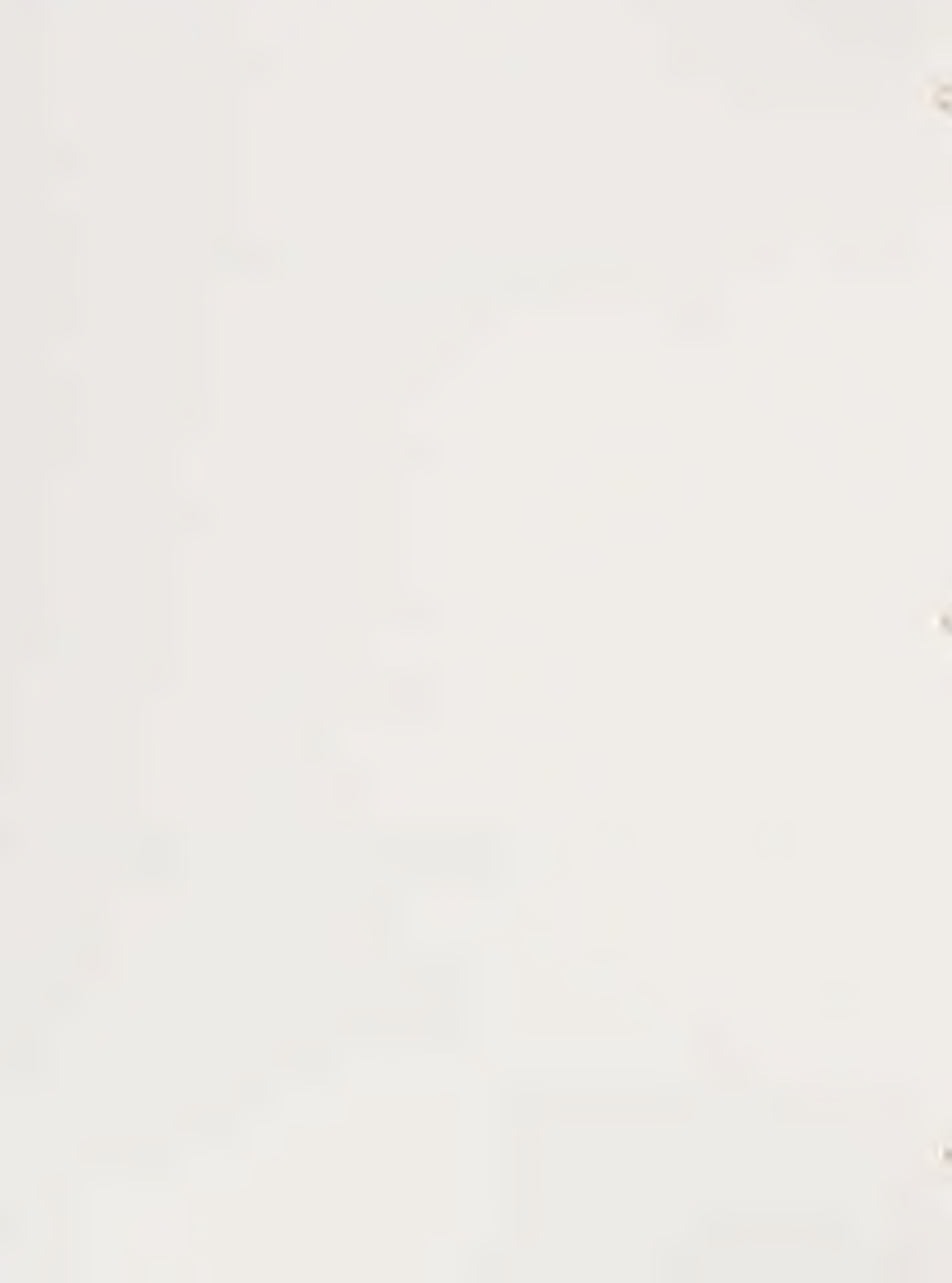
housing-related questions from the various viewpoints you represent as individuals with a job to do. And as varied as your views are, they will reflect the views of the citizens of the San Francisco Bay Area for whom we are doing a Regional Housing Plan. Thank you for hearing me out and, I'll tell you all, I don't envy any of us as we begin this problem-solving process.

THE BAY AREA HOUSING INDUSTRY -- ITS RELATIONSHIP
TO A REGIONAL HOUSING PLAN

By William T. Leonard

A position paper prepared under an agreement with Robert Pitts,
a consultant with the Association of Bay Area Governments

June, 1972



The Bay Area Housing Industry -- Its Relationship to A Regional Housing Plan

Background

The purpose of this paper is to describe the Housing Industry, as it operates within the San Francisco Bay Area, and what its relationship might be to a possible Regional Housing Plan.

The Housing Industry in the Bay Area is organized and functions much like the Housing Industry throughout the United States. Many aspects of the Housing Industry are fragmented. There are an estimated 1,000 - 1,500 individual general building contractors; another 3,500 sub-contractors are engaged in the Industry in the Bay Area. Eighty percent of the individual single-family homes, Planned Unit Developments and apartments are being planned, designed, built and sold by a generally sophisticated "merchant builder" group comprising less than 100 firms.

Efficiency

The term "merchant builder" indicates they perform the entire housing development process, from land assembly to final sale. They operate much like other merchants. The merchandise (new homes) is developed and built and sold from inventory and orders that are developed, as a result of model complexes, which are similar to a retail outlet.

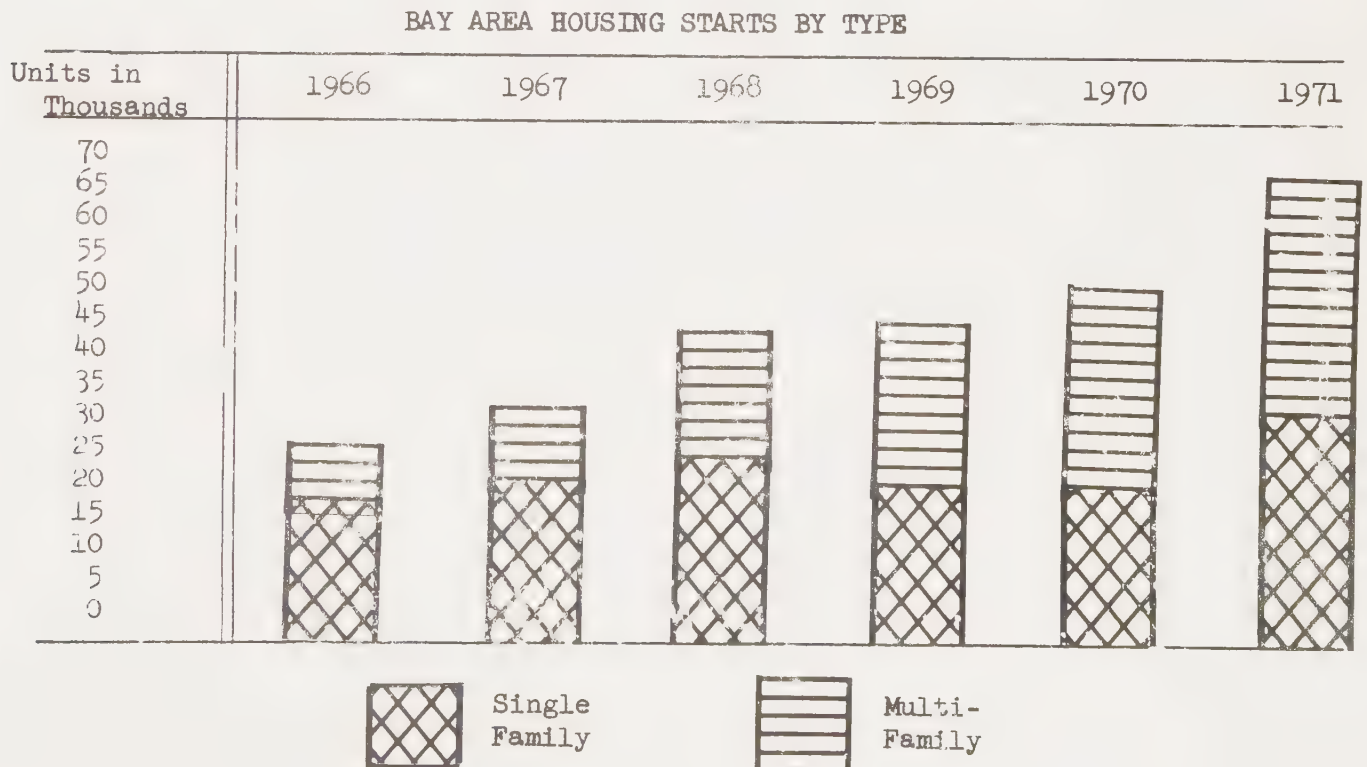
Merchant builders are quite sophisticated and, despite criticism by unsophisticated critics, are most efficient. In essence, many

developers have "factories in the field", fire carpenters if they pick up a hammer or saw since they use all "pre-cut" lumber and pneumatic fasteners.

It is this efficiency which has prevented a measurable market penetration of factory-built units. However, as increased labor costs continue, and present day techniques have about reached their peak efficiency, many of these "merchant builders" are either using or developing their own factory units. At present, it is primarily in the component field, including wall section. Next it will go into the mechanical core units. This trend is expected to continue.

Elasticity

The Industry has a severe cyclical nature, with production reaching in a two-to-three year span, plus or minus 100 percent. Despite this, the Industry does have the capacity to rapidly expand or contract to meet the demands of the market.



A significant new product has been developed in the last few years --- the Planned Unit Development. These are sold as individual homes, as townhouse units in buildings of from four-to-six units; usually with no families living on top of one another; in densities of eight-to-15 per acre. It is difficult to precisely determine how many P.U.D.'s there are since some jurisdictions call them single-family and some multi-family. It is our judgement, during the last four years in the Bay Area, there have been 40,000 P.U.D. units built and sold, half of which were priced \$20,000 and under. (See the special article on P.U.D.'s contained in the Appendix).

Housing Industry Organization

The Housing Industry is organized into various trade associations. There are four home builder associations in the Bay Area: The San Francisco-Peninsula-Redwood Empire group; the Santa Clara-Santa Cruz association; the Contra Costa-Solano counties group and the Associated Home Builders of the Greater Eastbay, Inc., which is twice as large as any other Association. These are constituent organizations of the Northern California Home Builders Conference which negotiates the labor contracts with the five basic crafts ... Carpenters, Laborers, Cement Finishers, Construction Teamsters, and Operating Engineers. They are affiliated on a state level with the California Builders Council and nationally with the National Association of Home Builders. About 70 percent of the residential developments are built by members who belong to these Associations.

F. H. A. Reliance

In the past, heavy reliance and utilization by builders, particularly under the \$35,000 price range, has been with the F.H.A.'s 203 (b) program. However, with the increased competitiveness of interest rates available from conventional sources, mostly Savings

and Loans, plus the pyramiding, red tape, delays in processing, the F.H.A. is going to play a less dominant role in both single-family and multi-family housing in the San Francisco Bay Area.

Current Situation

In many instances, apartments are over-built and vacancies exceed 20 percent. This is true in some sections of Concord, Walnut Creek, Pleasant Hill , Fremont and many areas in Santa Clara county. These tend to be in the semi-luxury range and can be traced to two major features:

- 1) overproduction
- 2) success and availability of the P.U.D. that has provided the younger segment of the market with a new housing choice. The same family that had previously been limited because of cost to renting is now able to buy a modestly-priced P.U.D.

New Home Costs

Increased density is the key to reducing new home costs. Listed below are the typical ingredients and the costs that make up the final sales price of today's typical modest cost home selling for \$28,700.

LOT COST

Raw Land ... \$12,000 per acre - density of three units per acre
= a raw land cost of \$4,000 per unit

Off-site
Development work
(street, sewer, storm
drainage, sidewalk,
underground utilities) -
\$60 per front foot; ty-
pical lot is 65 front
ft., or \$3,900

Total Cost \$ 7,900

Construction Cost

1,200 sq. ft. at \$12
sq. ft.

=

\$14,400

Construction Financing

Cost for construction
and on-site development

=

\$ 400

Sales Cost

=

\$ 1,300

Financing Cost for
Consumer Mortgage
(Discount Points)

=

\$ 1,000

Community Facility
Fees

=

\$ 1,500

Risk, Profit, Overhead

\$ 2,200

Total Sales Price to Consumer

\$28,700 •

Lowering Home Costs

The P.U.D., via increased density, makes possible the reduction of costs in the following areas, utilizing the same general factors in the above. If density is tripled, from three to nine per acre,

the raw land cost is reduced 300 percent to \$1,330. Additional savings are made in the off-site improvements because of the more efficient land use. There will be less lineal front footage per unit. Therefore, instead of 65-feet of frontage, this would be reduced to 22 front feet ... \$1,320 of off-site cost per unit.

These are the two major savings made possible by the P.U.D. These savings are somewhat diluted by some increased costs --- landscaping and producing community facilities.

Summary of Cost Savings

Single-Family Finished Lot Cost	=	\$7,900
P.U.D. Finished Unit Cost	=	\$2,650 ~
Equals a Savings of		<u>\$5,200</u>

Housing Industry Impediments

One of the Housing Industry's biggest problems is to be able to build a product that the market can afford to buy.

In the San Francisco Bay Area in the real housing gap areas, i.e., from \$18,000 to \$25,000 price range, for every increase of \$1,000 in the cost of a home, over 50,000 families are priced out of the market. In the long run, they must rely on sub-standard housing or subsidized.

While there are a number of impediments, by far the greatest is the restrictive attitude of suburban communities to allow the Housing Industry to fulfill its role of providing new housing in the best possible environment at prices the market can afford to pay. These impediments by local communities take a number of forms, including over-all reduction in densities, larger minimum lot sizes, which mean higher price structures. Demanding capital facility fees for sewer, water, etc., that, in the Industry's opinion, is not only restrictive but discriminatory, as it is requiring new

residents to bear the brunt of the capital facilities that will benefit the entire community. These fees have been the most rapid cost factors in housing production. These community facility fees are in addition to the necessary capital improvements ... streets, walks, gutters, etc. which generally average \$60 per front foot, or for a 60-foot lot, \$3,600. On top of this, there are community facility fees of \$1,500 to \$2,000 in many Bay Area communities which generally include the majority of the following:

sewer facility fee ...	\$300-500
water facility fee ...	\$300-500
park fee ...	\$300-500
drainage fee ...	\$200-400

Some communities are now talking about a park improvement fee, a neighborhood fee, or a school connection fee of \$300-500. These are in addition to public improvements, grading permits, and other similar, more direct fees. Therefore, if we add that portion of the off-site development costs on a 60-foot lot of \$3,600 and add \$1,500 to \$2,000 this means, as part of the sale price of a new home that is selling for \$28,000, there are over \$5,000 of public improvements.

Financing public improvements via the new home buyer is certainly not the most efficient method. The new home buyer gets it in the neck twice. First, he has to carry not only the original amount, but the amount of the builder's sales cost, financing it twice, risk, profit and overhead which raise the total amount to 25 and 27 percent. Secondly, the consumer pays 30 - 40 percent more interest in his consumer loan of $7\frac{1}{2}$ to $7\frac{3}{4}$ percent as contrasted to the more beneficial rate of $5\frac{1}{2}$ percent which is available to public agencies today due to the tax free provision.

Escalation of Housing Costs

Housing costs have been escalating for the last three years at over twice the consumer's income -- six percent per year --- and housing costs almost 11 percent per year. The significance of this is that it means the housing gap, for those needing housing at prices they can afford or requiring subsidy, is growing at an alarming rate.

The breakdown of various segments of housing costs and their escalation is as follows:

Labor	---	10% per year
Material	---	7% per year
Financing	---	Stablized
Overhead, risk, profit	--	Stablized or declining
Community & Facility Fees	--	20% per year

No Growth - A New Dilema

A grave situation exists today for the entire Home Building community as well as those needing new housing. Because there is a genuine concern over growth by the overwhelming majority of citizens, particularly those in the suburban areas of California, initiatives and referendums have been placed on the ballots which authorize the City Councils to limit the population, if the electorate approves. In the April, 1972 elections, voters in Livermore and Pleasanton passed initiatives placing a quasi-moratorium on residential building permits. A referendum in El Cerrito to permit an apartment project one block from the BART station was defeated, as was a Pinole referendum to allow residential construction on industrial property. A proposed housing development in Fairfax was overwhelmingly defeated,

and a bond issue in Lucas Valley to purchase 300 acres of vacant land (a developer had an option on it) passed with 96 percent approval.

Still another new problem is underway in which a project that does not require zoning, but only a use permit, is being put to a vote of the people via a local referendum. This is what is occurring in Sausalito. Regardless of whether the land is subdivided or not, it requires a use permit. It's been estimated that 75 percent of all residential building requires some type of a use permit prior to the issuance of a building permit. This means that about 75 percent of the housing starts would be subject to a local referendum.

People want to protect what they have ... the good suburban life. In addition, they want to clamp down on the infiltration of the minorities. Along with these gut concerns, ecological and public facilities matters are real.

The Home Building Industry believes it is impossible to win these No-Growth campaigns in the polling booth. Therefore, the Housing Industry recommends:

- 1) Initiating an on-going system to achieve realistic solutions which will provide uncrowded schools and adequate water and sewer facilities.
- 2) On a long-range basis, a regional form and development of government can best handle the problems of urban growth on a systematized basis, taking into consideration people needs for housing as well as public facility needs.
- 3) There is a need for the immediate implementation of the California Supreme Court decision of Serrano vs. Priest, which calls for revising the present method of school financing and/or some other form of broad-based tax.

Industry Weaknesses

The Industry has certain inherent weaknesses which can be summarized as follows:

There are a large number of producers, some large and some small, some sophisticated and some unsophisticated. Most developers take a short-run view, "just look" at solutions as related to specific subdivisions or projects, rather than the long-range viewpoint. Builders are highly individualistic. Some people term the development community at the "last bastion of rugged, free enterprise". Developers gamble their financial future and even college education for their children on each new project. It's like shooting in a crap game when they pledge their resources. With each new venture, the risk of failure edges higher.

With these weaknesses, the Industry then has not committed itself to research, except some minor work done by individual builders.

The A.H.B. has done some research on 24" stud-spacing which has reduced costs by \$300 per unit. The inability to conduct research and development, and to look at long-range solutions are real Industry problems. Most builders are not pioneers. They tend to copy others, and they don't want to end up like the Donner Party. Pioneering is for the "other fellow".

Possible Reaction to the Housing Dispursal Model

The basic reaction by the Industry is in the strong affirmative, though not unanimous. The Industry has strongly supported the Housing Element with the rationale that it would tend to solve its biggest problem, requiring local communities to evaluate their standard development fees and zoning policies and, in relationship to achieving its objective, of being able to house people at all economical levels in relation to market demand.

The Industry also recognizes the political factors of life in that the reaction by each individual local community is a reflection on its elected and appointed officials. The general feeling is "modest cost or subsidy housing is good, but not it someplace else". Housing planning should be developed on a regional basis. To do this, responsibility and authority should be placed under one umbrella. This is the current problem in the United States, as well as California. It violates the basic principle of administration in that it separates authority and responsibility. The Federal Government has assumed the responsibility for what is to be the building code; what density; at what level are community facilities in the hands of the smallest unit of local government. This should be stated. This is not a unanimous opinion, but it is a 75 percent plus majority, particularly in relation to total volume of production.

Minority opinion takes two tacts: the first is philosophical; local control is the most single basic tenet of political life and anything that violates it is wrong; many smaller volume custom builders are happily geared to serving their rather small, existing market and feel that modest-cost housing, introduced into a neighborhood, may tend to disturb the demand for their existing product.

Narrowing the Bay Area Housing Plan to just a dispersal of subsidy housing presents some additional questions and possible reactions. An additional problem arises when a private builder is taking all of the financial risks. Should the Government be able to regulate at what price level he is going to build? Some local communities are now attempting to zone by price and/or number of bedrooms. This was introduced last year and defeated in the California Legislature. An overwhelming majority of builders are opposed to it. The builders position is that since they are

taking the entire risk, it has to be a market decision on what price their product should be and they should be the one making these market decisions.

It would be economic folly plus a financial disaster to mix, in a single apartment, subsidized rent and luxury units. It would also be uneconomical to mix 235's, selling for \$24,000, in an average price level tract of \$35,000. In order to come out economically, it would be necessary to price certain units at a lower price level. Therefore, other units would have to be artificially overpriced. This would lead to economic disaster. A second concern over the dispursal of subsidy units would tend to be on a percentage factor that would not necessarily have a relation to market demand.

There would be some builder support for the dispursal of subsidy units on two general grounds:

- 1) That it is philosophically right to do and that each community has a moral responsibility to contribute to a solution for the general good.
- 2) Another rationale would be that this is the first break in the "local control dike" which would lead to an over-all regional housing and urban development policy.

The Housing Industry was the originator of the Housing Element concept on the State level and to be included as a mandatory item in the Community General Plan. It was also included in the Housing Act of 1968 under the 701 Provision. Therefore, the Industry strongly recommends it would be most beneficial to utilize the Housing Element concept in total, rather than just the dispursal of subsidy units for three very good reasons:

- 1) it is now State and Federal law
- 2) it would be a broad step in solving the entire Bay Area housing and urban development question
- 3) it would be politically more palatable to both the Industry as well as the individual communities.

As a positive suggestion to utilize the economic integration of subsidy units into major developments, we suggest utilizing a carrot rather than a stick. The incentive should be increased density. It then becomes economically feasible to provide subsidy units in many of non-subsidized housing developments, assuming that about a 10 - 15 percent ration is acceptable. This would, in essence, be offered to the developer as a trade. The community would allow a 10 - 15 percent density bonus to the developer providing the developer utilized this density bonus to assist the community in providing for subsidized housing on an integrated basis. Thus, the social objective would be achieved on an economically sound basis that should be politically acceptable to the community and to the majority of developers.

The Financial Dimension of the Bay Area's Housing Challenge

During the next 10 years, there will be an estimated need for over 440,000 units of modest-cost housing in the nine-county San Francisco Bay Area. The financial and location dimension, the challenge of where and under what conditions these 440,000 units are to be built, is a major challenge since the majority of communities don't want any within their borders.

The Financial Impact of Subsidy

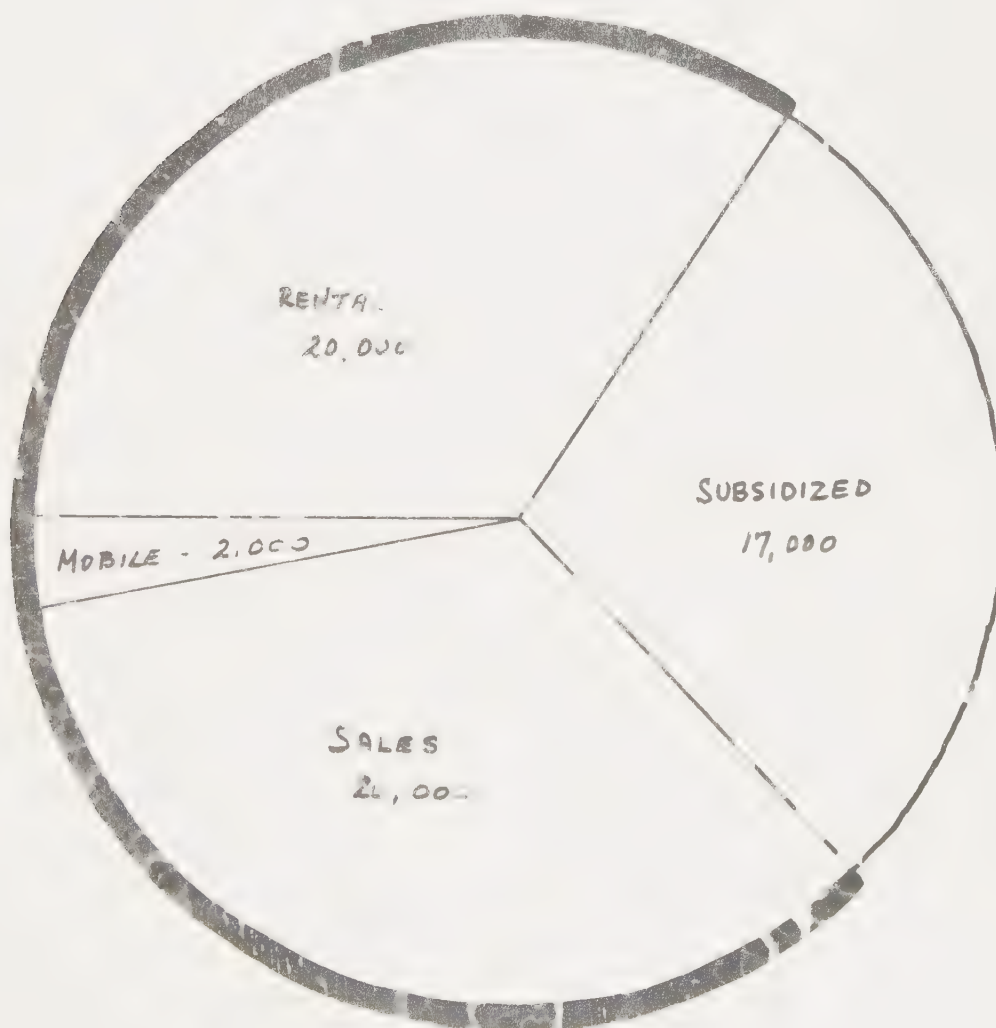
If one assumes the 10-year demand of subsidy units at 17,000 per year or 170,000 units and Federal subsidy of each unit is \$25,000, this would amount to \$4.25 billion or the equivalent of three BARTS.

Qualitative and Quantitative Estimate of Housing Demand for
the San Francisco Bay Area on a Regional Basis

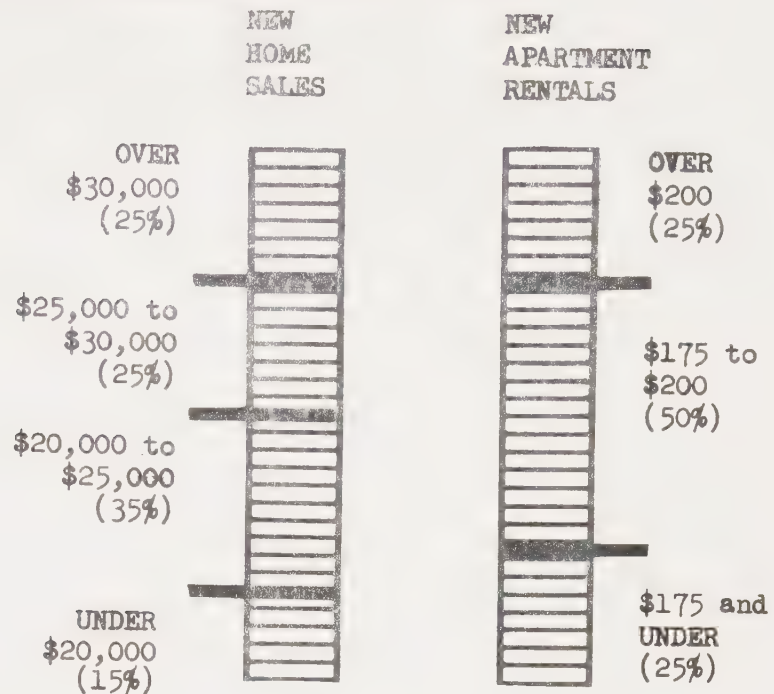
Every three years, HUD projects a qualitative and quantitative demand for housing ... sale, rental and subsidy. The annual demand for housing in the 9-county Bay Area for 1971-73 has been estimated as follows:

NEW HOUSING

	Units Per Year
Sales	20,000
Rental	20,000
Mobile Homes	2,000
Subsidized, including rental, sales and public	17,000
	<hr/>
	59,000



Demand of Unsubsidized Housing by Price



It is quite apparent that the major housing demand is at the lower ends of the price scale. If one assumes subsidized sale housing would be priced at \$25,000 or under ... \$24,500 is the maximum allowed under FHA Section 235 ... and that rental subsidies would have prices of \$200 a month and that the mobile home housing falls in this category, we have a combined demand for modest cost housing of three out of every four units to be built in the Bay Area as follows:

MODEST COST HOUSING

Sales --- \$25,000 and under ---	50% of total =	10,000 units per year
Rentals - \$200 a month and under ---	75% of total =	15,000 units per year
Mobile		
Homes - \$200 a month and under --	100% of total =	2,000 units per year
Subsidized \$200 a month and under -	100% of total =	<u>17,000</u> units per year
		44,000 units per year
	<u>75%</u> out of a total of	<u>59,000</u>

GENERAL CONCLUSIONS

A summary of the characteristics of the San Francisco Bay Area Housing Industry is as follows:

- 1) It is responding to the demand made by the people who need housing;
- 2) It makes a vital economic contribution;
- 3) The Bay Area Construction Industry has not only been highly efficient over the years but has done an outstanding job by being extremely flexible with unusual capabilities to meet major fluctuations in market demands;
- 4) Its costs and, therefore, home prices and rents are rising twice as rapidly than people's incomes;
- 5) Its biggest, single problem is producing a product -- new homes and apartments -- that the market can afford to buy or rent;
- 6) The major impediment to producing modest-cost housing is local government's refusal to allow it;
- 7) Despite the Housing Industry's efficiency, housing subsidies will be necessary for at least the bottom 25% of the market;
- 8) The Housing Industry supports a strong regional concept which has both the responsibility and authority for public planning in the areas of transportation, open space, public facilities, smog, air and water pollution, land use, housing and building codes.

A P P E N D I X

Housing Production Mix

Builders' Policy

Planned Unit Development Study

Housing Production Mix

From the Real Estate Research Council of Northern California, we have obtained the Housing product mix for the nine-county Bay Area for the last five years.

		<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>
Alameda	<u>Total</u>	<u>5,219</u>	<u>5,619</u>	<u>7,948</u>	<u>8,524</u>	<u>10,276</u>	<u>14,047</u>
	Single Family	3,227	2,794	4,062	4,028	4,954	7,042
	Multi-Family	2,292	2,825	3,886	4,496	5,322	6,965
Contra Costa	<u>Total</u>	<u>4,113</u>	<u>4,906</u>	<u>5,427</u>	<u>6,347</u>	<u>6,732</u>	<u>11,480</u>
	Single Family	3,143	3,165	4,166	2,862	2,178	4,852
	Multi-Family	970	1,741	1,261	3,485	4,554	6,628
Marin	<u>Total</u>	<u>1,319</u>	<u>1,102</u>	<u>1,497</u>	<u>1,632</u>	<u>1,304</u>	<u>2,909</u>
	Single Family	933	800	996	933	834	1,644
	Multi-Family	386	302	501	699	470	1,265
Napa	<u>Total</u>	<u>732</u>	<u>788</u>	<u>820</u>	<u>731</u>	<u>919</u>	<u>1,410</u>
	Single Family	429	537	618	502	489	751
	Multi-Family	303	251	202	229	430	659
San Francisco	<u>Total</u>	<u>1,452</u>	<u>1,270</u>	<u>1,229</u>	<u>859</u>	<u>1,671</u>	<u>3,614</u>
	Single Family	279	111	118	77	144	175
	Multi-Family	1,173	1,159	1,111	782	1,527	3,439
San Mateo	<u>Total</u>	<u>2,318</u>	<u>2,672</u>	<u>3,427</u>	<u>3,098</u>	<u>5,560</u>	<u>7,143</u>
	Single Family	1,430	1,776	1,692	1,660	1,284	2,541
	Multi-Family	888	896	1,735	1,438	2,476	4,602
Santa Clara	<u>Total</u>	<u>6,709</u>	<u>10,241</u>	<u>17,565</u>	<u>18,604</u>	<u>17,718</u>	<u>19,370</u>
	Single Family	5,187	7,486	9,398	6,812	6,321	9,302
	Multi-Family	1,522	2,755	8,167	11,792	11,397	10,068

A-2

		<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>
Solano	<u>Total</u>	<u>1,610</u>	<u>1,719</u>	<u>1,744</u>	<u>1,182</u>	<u>1,811</u>	<u>2,779</u>
	Single Family	954	903	816	721	902	1,632
	Multi Family	656	816	928	461	909	1,147
Sonoma	<u>Total</u>	<u>1,462</u>	<u>1,367</u>	<u>1,863</u>	<u>2,375</u>	<u>2,751</u>	<u>4,445</u>
	Single Family	1,233	1,142	1,496	1,571	1,716	2,877
	Multi Family	229	225	367	804	1,035	1,568
Nine County	<u>Total</u>	<u>24,934</u>	<u>29,684</u>	<u>41,520</u>	<u>43,352</u>	<u>48,742</u>	<u>67,157</u>
	Single Family	16,815	18,714	23,362	19,166	18,822	30,816
	Multi Family	8,119	10,970	18,158	24,186	29,920	36,341

The California Housing Industry's 10-Point Program
Aimed at Providing Housing for People and Preserving
the Environment.

1. California Builders urge a land use policy which balances the need to protect and enhance our environment with the need for suitable housing, transportation and public service facilities in convenient and usable locations.
2. We MUST INSIST, however, and we will defend with all our energy, the position that in any environmental policy MAN must be considered the foremost element of NATURE and that such a policy must be designed to help create a safe, aesthetically pleasing and economically feasible supply of housing. We believe this is precisely where the environmental movement has been grossly irresponsible. In pretending to protect the interests of man, it has instead fostered the SPECIAL INTERESTS of only some men, usually those who already have their "place in the sun."
3. State government should exercise its true responsibility by developing a statewide housing element with the following features:
 - A. Reliable population projections with special attention given to identifying areas of population changes.
 - B. An outline of housing goals, including qualitative and quantitative demand, should be established for a 10-year period and issued on an annual basis.

C. Periodic analyses of housing needs that will result from population changes.

4. Since it is clear that our communities have not been able to keep pace with the demands of our population for additional facilities, thereby lending fuel to the fire of pollution, California Builders urge local governments to improve the efficiency of existing facilities and provide for the development and expansion of new facilities to implement their community's General Plan, including the housing element. We urge Federal and State governments to assist this effort with funds. Provision of these facilities is the responsibility of municipal government. Construction moratoriums do not correct these problems.
5. California Builders urge the adoption of existing Uniform Model Building Codes throughout California. We call upon the Department of Housing and Community Development to more vigorously enforce the present statute, providing for compliance with the Uniform Building Code by local governing bodies, without amendment.
6. California Builders themselves will intensify their own educational program designed to encourage the utilization of land use innovations in the creation of new communities in order to best preserve open spaces.
7. Because California Builders believe that all Americans should have free choice in housing, we will continue to fight attempts of local governments to adopt exclusionary zoning regulations or to discourage housing for certain economic groups.

8. Since conclusive studies show that higher density housing is attractive and enhances the environment by reducing urban sprawl and dependence on automobiles, California Builders encourage the inclusion of appropriate high and medium-high density areas in all local and regional plans.
9. California Builders believe that the new housing consumer is being discriminated against by the amount of capital facility fees and service charges being levied by local government and call for some form of statewide regulation.
10. California Builders believe that every person has the right to home ownership and that he furthermore should enjoy the opportunity to choose his own form of housing. Therefore, California Builders support a program of "orderly growth" as opposed to blanket "no growth" policies.

PLANNED UNIT DEVELOPMENT IN THE SAN FRANCISCO BAY AREA

By: Federal Housing Administration and
Real Estate Research Council

Concept of the Planned Unit Development

Residential building within the framework of planned unit development (PUD) reflects one of the more striking trends in housing activity that has occurred in the Bay Area in some time. According to Tom Gentry, president of the Associated Home Builders of the Greater Eastbay, "By utilizing the concept of a PUD builders are constructing quality homes in the "under \$20,000" range, offering significant savings to the home buyer while providing increased amenities and a total living environment."

The PUD makes possible more efficient use of land and lower cost of development. Conventional single family densities of two, three or four units per acre in the usual tract development can become densities of seven to 13 housing units per acre within the PUD. Consequently, PUD can bring the home buyer a \$17,000 to \$22,000 product that becomes very attractive in relation to the average cost of \$27,000 for a single family dwelling in the Bay Area. To illustrate the cost differential the \$27,000 unit includes \$4,000 for raw land and \$4,000 worth of off-site development while the typical PUD product, at a density of 9 units per acre, shows a cost of \$1,400 for raw land and off-site cost of \$2,400 per unit. The \$4,200 saving in relation to land cost becomes the major benefit to home buyers.

However, low cost is not the single important feature of the PUD for there are developments in the Bay Area which include units in the "\$35,000 and up" bracket. Through the home owner association concept that is a part of PUD planning a wide range of amenities that cannot be matched in the conventional single family tracts are made available, and these added attractions are conveniently accommodated within normal housing budgets and are made especially attractive by eliminating much of the homeowners responsibility for exterior maintenance of individual property and amenities that are provided.

The PUD with its common space is not new. In 1831 a developer in New York reclaimed some swamp land on Manhattan and subdivided the property. Subsequently, park area was included in the subdivision as common space and an association of property owners was formed to maintain this portion of the property.

While the Manhattan project is apparently the first United States version of a PUD that was recorded, such an arrangement is in evidence dating back to the early 1600s in London with property owners joining to maintain a park adjacent to their homes for their exclusive use. The plan proved effective and today there are many such property agreements that exist in parts of London.

In the United States many home owner associations were formed prior to 1900 in the heavily populated eastern portions of the country, and the first such organization to be formed in the western part of the United States was in the Bay Area. In San Francisco, in 1913, St. Francis Wood became the first subdivision to incorporate the community association concept to maintain its common properties. The subdivision included 540 properties on 140 acres and the association maintained about 5 acres of park and other common areas. Still in existence, the association carries on an outstanding maintenance program which has conserved and enhanced the neighborhood plan.

The present emergence of the PUD is the result of several factors, among which are rising land costs, new techniques and innovations in building practices, and the trend toward large scale development operations that become capable of responding swiftly to market demands. Though labor costs remain high, the more intensive utilization of land and materials is changing the complexion of residential construction and providing housing in sectors of the market where the need is great.

Survey of Planned Unit Development in the Bay Area

During January 1971 when the inventory of tract housing built in the Bay Area during the period from January 1970 through December 1970 was gathered appraisers were asked to provide information on the status of planned unit development (PUD) in the region. The PUD is, of course, a part of the single family inventory but the

additional information gathered during the current survey provides a view of the significant impact of PUD on the overall housing market and it reveals some indications as to housing cost and absorption appearing to result from PUD construction trends. Tables provided with this report summarize information similarly to the manner in which

data are reported in the Survey of Tract Housing appearing in this issue of the Real Estate Report.

In the nine Bay Area counties housing completed in PUD tracts totaled 4,582 units during the twelve months of 1970. This constitutes 25.7 percent of the new housing supply completed during the year insofar as tract building is concerned. Housing under construction at the time of the survey totaled 2,262 PUD structures which amounted to 50.6 percent of all tract units under construction. However, it must be noted that this ratio is probably an overestimation inasmuch as enumerators gathered data on all PUD activity including those tracts in which no units were completed. On the other hand, conventional tracts in which no completed units existed were not included in the survey insofar as "under construction" enumeration might have been possible.

With reference to completed units and related unsold ratios, of the 4,582 reported the unsold total was 513, a ratio of 11 percent. Unsold units include models. Units reported under construction totaled 2,262 of which 1,423 were unsold, a ratio of 63 percent.

Santa Clara County reported the major share of Bay Area PUD activity with 67 percent of the completed units in the entire region. However, the tabulation of units under

construction showed that there were only 49 percent of regional total in Santa Clara County to indicate a trend toward broader distribution of PUD activity throughout the Bay Area.

Because of the number and distribution of PUDs surveyed for this report it was considered advisable to report findings by metropolitan areas rather than individual counties. No PUDs were reported in Napa or San Francisco Counties. In the San Francisco-Oakland SMSA Contra Costa, Alameda and San Mateo Counties reported PUD construction. Tables provided here report price distribution, construction volume and unsold ratios of units completed and under construction.

It is evident that current price levels of new PUD housing reach a market that has been more or less priced out for some time, and a market where the need for adequate housing is great. This report shows that in the Bay Area 81 percent of completed PUD units are under \$25,000 in price as are 80 percent of those under construction. Furthermore, in Santa Clara County 92 percent of the PUD housing is in the "under \$25,000" bracket. Price levels range higher in other parts of the Bay Area but the PUD concept succeeds in providing substantially lower cost housing units comparable to conventional tract units similarly located throughout the region.

Table 1
Bay Area Planned Unit Development Activity — January 1971

Metropolitan Area	Units Completed			Units Under Construction		
	Sold	Unsold	% Unsold	Sold	Unsold	% Unsold
San Francisco-Oakland (1)	1,321	209	16	924	434	47
San Jose (2)	3,067	285	9	1,100	785	71
Vallejo-Napa (3)	191	19	10	184	150	82
Santa Rosa (4)	3	—	—	54	54	100
Total	4,582	513	11	2,262	1,423	63

- (1) Alameda, Contra Costa, Marin, San Francisco and San Mateo Counties
- (2) Santa Clara County
- (3) Napa and Solano Counties
- (4) Sonoma County

Table 2
Planned Unit Development Units Completed, By Price Class

	Under \$15,000		\$15,000 to \$19,999		\$20,000 to \$24,999		\$25,000 to \$29,999		\$30,000 to \$34,999		\$35,000 and up	
	Tot.	Uns.	Tot.	Uns.	Tot.	Uns.	Tot.	Uns.	Tot.	Uns.	Tot.	Uns.
Metropolitan Area												
San Francisco-Oakland (1)	68	16	141	23	489	68	158	24	381	56	84	22
San Jose (2)	—	—	2,608	176	208	21	77	12	128	52	46	24
Vallejo-Napa (3)	—	—	139	6	52	13	—	—	—	—	—	—
Santa Rosa (4)	—	—	—	—	—	—	3	—	—	—	—	—
Total	68	16	2,888	205	749	102	238	36	509	108	130	46

- (1) Alameda, Contra Costa, Marin, San Francisco and San Mateo Counties.
(2) Santa Clara County
(3) Napa and Solano Counties
(4) Sonoma County

Table 3
Planned Unit Development Units Under Construction, By Price Class

	Under \$15,000		\$15,000 to \$19,999		\$20,000 to \$24,999		\$25,000 to \$29,999		\$30,000 to \$34,999		\$35,000 and up	
	Tot.	Uns.	Tot.	Uns.	Tot.	Uns.	Tot.	Uns.	Tot.	Uns.	Tot.	Uns.
Metropolitan Area												
San Francisco-Oakland (1)	12	12	175	77	456	157	120	85	132	79	29	24
San Jose (2)	—	—	831	621	147	93	90	59	31	11	1	1
Vallejo-Napa (3)	—	—	148	136	36	14	—	—	—	—	—	—
Santa Rosa (4)	—	—	—	—	—	—	4	4	50	50	—	—
Total	12	12	1,154	834	639	264	214	148	213	140	30	25

- (1) Alameda, Contra Costa, Marin, San Francisco and San Mateo Counties
(2) Santa Clara County
(3) Napa and Solano Counties
(4) Sonoma County

Table 4
Units Completed, By Price Class

County	Under \$14,999		\$15,000 to 17,499		\$17,500 to 19,999		\$20,000 to 24,999		\$25,000 to 29,999		\$30,000 to 34,999		\$35,000 and over	
	Total	Unsold	Total	Unsold	Total	Unsold	Total	Unsold	Total	Unsold	Total	Unsold	Total	Unsold
Alameda	---	---	9	1	281	14	1,295	106	1,292	162	534	81	402	73
6A	---	---	---	---	---	---	---	---	45	2	130	4	---	---
6B	---	---	---	---	40	3	95	4	---	---	5	---	59	5
6C	---	---	9	1	158	5	618	70	844	104	100	21	61	14
6D	---	---	---	---	83	6	582	32	403	56	299	56	282	54
Contra Costa	68	16	---	---	110	22	1,021	42	326	22	292	25	645	79
5A	---	---	---	---	---	---	15	---	25	---	---	---	33	---
5B	---	---	---	---	---	---	---	---	6	---	27	3	140	29
5C	---	---	---	---	---	---	293	17	193	16	137	15	291	23
5D	---	---	---	---	91	20	311	4	16	---	97	3	180	27
5E	68	16	---	---	19	2	402	26	36	6	31	4	1	---
Marin	---	---	---	---	---	---	---	---	64	3	54	2	381	48
San Rafael 3A	---	---	---	---	---	---	---	---	29	1	---	---	88	12
Novato 3A	---	---	---	---	---	---	---	---	35	2	54	2	182	19
3B	---	---	---	---	---	---	---	---	---	---	---	---	111	17
Napa	---	---	---	---	---	---	154	11	60	---	16	2	35	6
San Francisco	---	---	---	---	---	---	---	---	---	---	---	---	---	---
San Mateo	---	---	---	---	10	8	26	17	213	21	501	115	367	124
2A	---	---	---	---	10	8	26	17	117	6	427	97	123	73
2B	---	---	---	---	---	---	---	---	96	15	74	18	244	51
Santa Clara	---	---	2,107	152	701	82	2,485	282	1,327	264	1,012	235	803	214
7A	---	---	84	12	84	13	11	---	2	1	359	96	336	99
7B	---	---	---	---	---	---	---	---	---	---	---	---	121	19
7C	---	---	---	---	---	---	---	---	---	---	---	---	---	---
7D	---	---	1,325	17	180	13	1,227	159	870	165	427	75	274	61
7E	---	---	698	123	437	56	1,247	123	455	98	226	64	72	35
Solano	---	---	35	4	104	2	281	20	104	7	73	3	3	1
4A	---	---	25	---	45	1	147	9	76	5	42	2	3	1
4B	---	---	10	4	59	1	134	11	28	2	31	1	---	---
Sonoma	---	---	---	---	46	1	340	17	148	5	88	11	10	---
8A	---	---	---	---	46	1	120	15	54	5	80	8	10	---
8C	---	---	---	---	---	---	220	2	94	---	8	3	---	---
Total	68	16	2,151	157	1,252	129	5,602	495	3,534	484	2,570	474	2,646	545

Table 7
Number of New Housing Units Authorized Per 1000 Population*
in the various Metropolitan Areas and Sections
of California
1970

<u>Area</u>	<u>April 1, 1970</u> <u>Census</u> <u>Population</u>	<u>Housing Units</u> <u>Authorized</u> <u>Per 1000 Population</u> <u>In 1970</u>
San Francisco-Oakland SMSA.....	3,109,519	8.24
San Jose SMSA.....	1,064,714	16.64
Vallejo-Napa SMSA.....	249,081	10.40
Santa Rosa Area (Sonoma County)†.....	204,885	13.43
San Francisco Bay Area (9 counties)....	<u>4,628,199</u>	<u>10.52</u>
Salinas-Monterey SMSA.....	250,071	6.77
Balance of Northern Coastal Area (6 cos.)	<u>326,937</u>	<u>8.07</u>
Northern Coastal Area (16 counties)....	5,205,207	10.19
Sacramento SMSA.....	800,592	14.53
Stockton SMSA.....	290,208	8.86
Fresno SMSA.....	413,053	11.42
Bakersfield SMSA.....	329,162	8.36
Balance of Central Valley (11 counties)..	<u>841,694</u>	<u>7.57</u>
Central Valley (17 counties).....	2,674,709	10.48
Los Angeles-Long Beach SMSA.....	7,032,075	6.62
Anaheim-Santa Ana-Garden Grove SMSA.....	1,420,386	16.48
San Bernardino-Riverside-Ontario SMSA....	1,143,146	8.64
Oxnard-Ventura SMSA.....	376,430	13.59
Los Angeles 5-County Area.....	<u>9,972,037</u>	<u>8.52</u>
San Diego SMSA.....	1,357,854	16.84
Santa Barbara SMSA.....	264,324	7.35
Balance of Southern California (3 cos.)..	<u>195,753</u>	<u>8.35</u>
Southern California (10 counties).....	11,789,968	9.45
Mountain Counties (15 counties).....	<u>283,250</u>	<u>11.36</u>
California total.....	19,953,134	9.81

SMSA = Standard Metropolitan Statistical Area. These areas in all cases conform to the official definitions.

† The Santa Rosa Area (Sonoma County) is not an officially designated SMSA.

* Number of new housing units authorized during the year 1970 divided by the final April 1, 1970, population figures.

Sources: Bureau of the Census, U.S. Department of Commerce; Economic Research Division, Research Department, Security Pacific National Bank.

Table 8
New Retail Mobilehome Sales
Recorded in California*
1965-1970

	<u>Southern† California</u>	<u>Northern California</u>	<u>California Total</u>	<u>So. Calif. % of Total</u>
1965.....	6,822	5,341	12,163	56.1
1966.....	6,180	5,040	11,220	55.1
1967.....	6,719	4,716	11,435	58.8
1968.....	10,049	6,085	16,134	62.3
1969.....	11,585	7,129	18,714	61.9
1970.....	11,524	8,615	20,139	57.2
<u>% Change:</u>				
1966-70	+ 86.5%	+ 70.9%	+ 79.5%	
1968-70	+ 14.7	+ 41.6	+ 24.8	
1969-70	- 0.5	+ 20.8	+ 7.6	

* Based upon a tabulation of new retail mobilehome sales recorded by the California Department of Motor Vehicles.

† Ten counties: San Luis Obispo, Kern, San Bernardino, and all to the south. Sales are tabulated according to location of selling dealer.

Source: Bronson L. Berlin, Mobilehome Market Research, 5355 Topanga Canyon Blvd., Woodland Hills, California 91364. Data copyrighted. No further reproduction permitted without specific permission from the copyright owner.

Economic Research Division, Research Department, Security Pacific National Bank.

February 5, 1971

NORTHERN CALIFORNIA HOUSE CONSTRUCTION COSTS.

By: R. H. Johnson, Vice President
Bank of America N.T. & S.A.

Medium Quality Dwelling

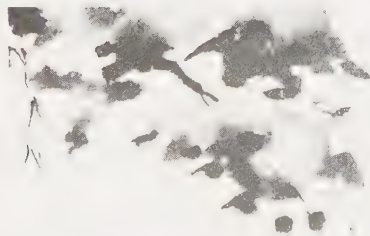
This is a single-family dwelling with living area of 1,395 sq. ft., 74 sq. ft. of porches, and 435 sq. ft. attached garage. The rooms include:

living room 15' x 17'
family room 14' 6" x 13' 6"
kitchen and nook 19' x 9'
entry hall 4' 6" x 10' 6"
bedroom No. 1 - 12' 6" x 11' 6"
bedroom No. 2 - 10' x 13'
bedroom No. 3 - 11' x 11'
bathroom No. 1 - 7' x 4' 6"
bathroom No. 2 - 7' 6" x 6' 6"

Exterior finish -- stucco with small amount of wood ornamentation; roofing -- cedar shingles; interior -- 1/2" gypsum wall board; floors -- oak in living room, bedrooms

and halls -- linoleum in family room, kitchen, and bathrooms; central heating -- forced air; automatic water heater; garbage disposal unit; one bathtub with shower over tub; one stall shower.

EXPLANATORY NOTES -- COST BREAKDOWN; Rough lumber -- cost includes Redwood lumber used for exterior walls and roof edges; Interior finish -- cost based on supplying and installing gypsum board material, including taping joints, sanding and texturing of gypsum board; Exterior stucco -- exterior wall finish is stucco throughout except for small amount of Redwood siding at front wall of garage. Last coat of stucco is color coat; Painting -- Exterior painting does not include stucco. Interior painting includes interior trim and gypsum board walls and ceilings; Porches -- cost includes porch slab, steps, ceiling, roof and lighting.



Cost Breakdown — Medium Quality Dwelling Northern California

Bank of America N. T. & S.A.
Appraisal Department

	<u>1-1-71</u>	<u>% Change Since 10-1-70</u>	<u>% Change Since 1-1-70</u>
1. Preliminary	148	0	0
2. Excavation and Site Preparation	250	+ 8.7	+36.6
3. Concrete Foundation	600	0	a
4. Lumber, Rough	1,754	*	0
5. Lumber, Finish	227	0	a
6. Carpenter Labor, Rough	2,056	0	+11.0
7. Carpenter Labor, Finish	443	0	+11.0
8. Doors (pre-assembled)	281	0	a
9. Wood Windows and Frames	282	+15.1	+15.6
10. Screens for Wood Windows	26	0	0
11. Aluminum Windows and Screens	138	0	a
12. Patio Sliding Glass Door and Screen	100	0	+ 1.0
13. Cabinets	642	0	0
14. Hardware, Rough	75	+10.3	+27.1
15. Hardware, Finish	90	+ 5.9	+20.0
16. Roofing Material & Labor	1,069	0	a
17. Shower Base)	514	a	+ 9.6
18. Ceramic Tile)			
19. Shower Door)			
20. Stucco, Exterior	1,293	0	+ 17.7
21. Interior Finish (Gyp. Bd.)	953	0	+ 5.0
22. Plumbing	2,594	0	+ 6.0
23. Sewer Line and Connection	371	0	+ 6.0
24. Heating)	915	0	+10.0
25. Sheetmetal and Flashing)			
26. Electric Wiring	1,215	0	+ 7.7
27. Electric Fixtures	125	0	0
28. Hardwood Floors	534	0	0*
29. Linoleum Floors	523	0	+ 7.6
30. Painting	977	0	+ 6.3
31. Bathroom Accessories	45	0	0
32. Cleanup	95	0	+ 11.8
33. Garage Door	140	0	+ 3.7
34. Concrete Flat Work	581	+ 5.1	+13.5
35. Driveway	521	+ 5.0	+13.8
Sub-Total	19,577	+ 1.0	+ 6.8
Insurance, Comp., Soc. Sec., Unemp., etc.	275	0	+10.9
Overhead & Profit 15%	3,034	0	+ 6.8
Plans and Specifications	150	0	0
Total Construction Cost	23,036	+ 1.0	+ 6.8
Cost Per Sq. Ft. (House Area)	16.51	+ 1.0	+ 6.8

<u>Summary</u>	<u>Area</u>	<u>Sq. Ft. Cost</u>	<u>Total</u>	<u>Additives</u>	
House	1,395 S.F.	13.98	19,496	Fireplace	700
Porch	74 S.F.	3.92	290	Range, Oven & Cabinets	369
Garage	435 S.F.	5.95	2,585	Hood & Fan	69
Walks	190 S.F.	.70	133	Ext. Wall Shth.	370
Driveway	760 S.F.	.70	532	Lath & Plstr. Int. Fin.	978

a Denotes change of less than 1%

* Not computed because of error in reporting previous period.

BAY AREA APARTMENT AND NONRESIDENTIAL CONSTRUCTION COSTS

By: Marshall & Swift Publication Company

Apartment House



Class D Apartment House: These are typical costs of a hypothetical two-story, 24 unit, apartment house with 10 two bedroom and 14 one bedroom apartments. The building is rectangular, 80' x 150' on each floor. The cost does not include any garages or site improvements.

Construction is wood frame and stucco with some exterior redwood and brick trim. Roof is three ply,

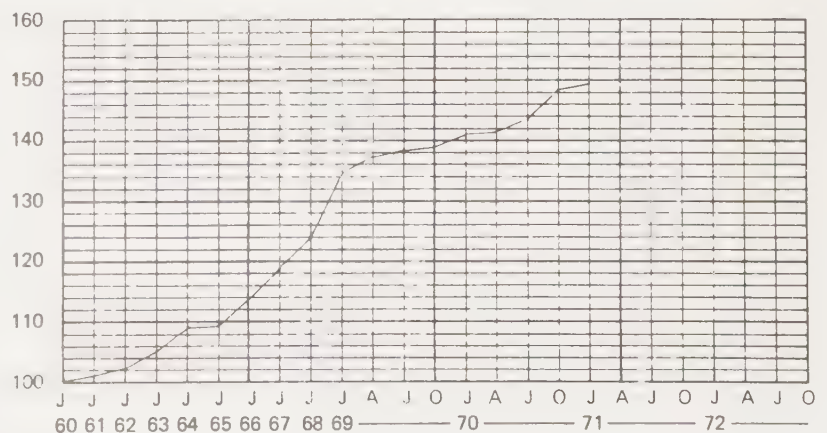
hot-mopped with gravel surface and ornamental shingle parapet across front. First floor is concrete slab, second is foamed concrete on plywood. Both floors are carpeted with an average grade nylon carpet except in kitchen and bath areas which have vinyl-asbestos tile floor covering with top-set coving.

Walls are ½" gypsum wall board, taped and textured, and ceilings are blown asbestos cement. Baths have showers over enclosed tubs with five feet of ceramic tile, with water closet and pullman lavatory. Kitchen cabinets are natural finish ash with formica counter tops. Electric ranges and ovens are included as well as garbage disposers, range hoods and fans bathroom heaters and individual 9000 B.t.u. throughwall air conditioners. Heating is by electric cable imbedded in the ceiling plaster.

There is a small lobby on the first floor and laundry rooms on each floor, with leased washers and dryers (not included).

ESTIMATED COST TREND INDEX
(1960=100.0)

Date	Gross Cost	Sq. Ft. Cost	Index
Jan 1960	\$236,000	\$ 9.83	100.0
Jan 1961	237,800	9.91	100.8
Jan 1962	241,500	10.06	102.3
Jan 1963	248,700	10.36	105.4
Jan 1964	256,600	10.69	108.7
Jan 1965	258,900	10.79	109.7
Jan 1966	268,900	11.20	113.9
Jan 1967	281,000	11.71	119.0
Jan 1968	292,900	12.20	124.0
Jan 1969	317,700	13.24	134.6
Apr 1969	325,200	13.55	137.7
Jul 1969	326,600	13.61	138.3
Oct 1969	327,300	13.64	138.6
Jan 1970	333,500	13.89	141.2
Apr 1970	334,900	13.95	141.8
Jul 1970	339,800	14.16	143.9
Oct 1970	350,200	14.59	148.3
Jan 1971	352,000	14.66	149.1



High-Rise Apartment Building



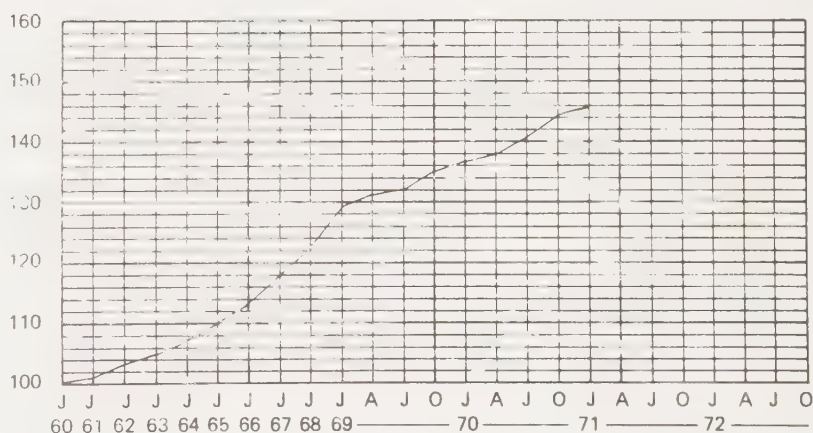
The following are typical costs of a hypothetical 26-story Class A apartment building with two levels of subterranean parking. The building is a rectangular tower with exterior dimensions of 80' x 175' for all floors except the parking basements which are 100' x 200' and the elevator and mechanical penthouse which is 30' x 90'. Story heights are: basement levels, 9 feet; first story, 12 feet; second through 26th stories, 9 feet, 6 inches; penthouse, 20 feet. Walls are face brick with concrete block back-up and porcelainized metal and glass panels.

The frame is welded steel with metal decks and lightweight concrete floors. Partitions are steel studs and plaster with concrete block and plaster for shear walls and service core. Ceilings are sprayed-on simulated acoustic plaster on gypsum lath. Lighting fixture allowance was \$35 for a single unit or \$75 for a three bedroom. There are 51 singles, 206 one-bedroom, 152 two-bedroom, and 41 three-bedroom units for a total of 450, with a total of 2188 plumbing fixtures plus built-in ranges and ovens, dishwashers, and garbage disposers which are included. Floors are carpeted except for vinyl-asbestos tile in kitchens and baths. Heating and cooling are provided by a three-pipe hot and chilled water system. Elevator service is provided by three 500 feet per minute self-service elevators. Basements are sprinklered. Drapes, refrigerators, and other personal property are not included.

The building is considered above average for buildings of this class and occupancy. The square foot costs given below include the basement and penthouse areas at one-half.

ESTIMATED COST TREND INDEX
(1960=100.0)

Date	Gross Cost	Sq. Ft. Cost	Index
Jan 1960	\$6,635,000	\$17.22	100.0
Jan 1961	6,668,500	17.30	100.5
Jan 1962	6,822,500	17.70	102.8
Jan 1963	7,005,500	17.93	104.1
Jan 1964	7,092,000	18.40	106.9
Jan 1965	7,290,000	18.92	109.9
Jan 1966	7,486,500	19.43	112.8
Jan 1967	7,819,000	20.29	117.8
Jan 1968	8,117,000	21.06	122.3
Jan 1969	8,573,000	22.25	129.2
Apr 1969	8,703,500	22.59	131.2
Jul 1969	8,770,000	22.76	132.2
Oct 1969	8,932,500	23.18	134.6
Jan 1970	9,074,500	23.55	136.7
Apr 1970	9,156,000	23.76	137.9
Jul 1970	9,315,500	24.15	140.3
Oct 1970	9,574,000	24.85	146.2
Jan 1971	9,667,000	25.09	145.6



Data by: Marshall & Swift Publication Company

HOUSING
AND
LOCAL GOVERNMENTS
IN THE
SAN FRANCISCO
BAY AREA

Presented to the Association of Bay Area Government's Regional
Housing Task Force, Berkeley, California, July 7-8, 1972

FRANK D. FARGO

I. INTRODUCTION

The discussion of Housing and its relationship to Local Governments requires the establishment of a frame of reference. The general subject of Housing has become of prime concern to local government only in the last decade. This has followed from the sharp increases in social concerns which have required that this subject be segregated from the many other interests upon which local governments act.

Actually the national concern commenced with the depression era of the 1930's during which public assistance, the housing act of 1934 and concern for the ill housed first made real progress at the Federal level. Public housing became a reality; the Federal Housing Administration was created and began using the long term amortized loan which enlarged greatly the opportunities for home ownership; there was public discussion of the poor health conditions in substandard housing, and minimum standards for housing became more meaningful.

During World War II, thousands of "temporary" housing units were constructed for war workers. After the war, many of those units remained and others were added to house returning veterans as practically no housing had been built for almost five years. The accumulation of these factors, the influx of millions of new population, the changes in marketing evidenced first by supermarkets

and then shopping centers, and the decline of downtown brought new considerations for local government.

These new considerations included urban renewal which required the social concern related to relocation. The surveys required by new programs revealed some needs to the community that had escaped public recognition and acceptance.

It was a period of great optimism and a period during which social problems began to be recognized as public responsibilities, particularly in the central cities. Most City Councils and Boards of Supervisors though were still concerned more with the physical problems of water and sewer extensions, new roads and public buildings. There was nothing on the agendas of local government at that time regarding elderly housing, concern for ethnic minorities, and very little about dilapidated housing or unsafe structures. Social concerns were for the Salvation Army or the county through a public assistance program that many people thought would be terminated soon as nothing but a holdover from the depression. Even as late as 1958, only four cities in the nine Bay Area counties had a housing code. Building inspection for new dwellings only was the practice at that time. The state had some more restrictive regulations for apartments, but local government had not entered this area of concern fully.

The acceleration of social concerns has moved us all as the vista and spectrum of this concern has run the gamut. Womb to tomb concern by our governmental units, once a joke, has become close to reality. It seems that the concern was always there, but never had the forum or focus for its expression. Once vented, it has taken possession. Federal programs, instigated and propounded by one Administration and congress have been accepted and expanded by the succeeding Administration. There is true bipartisan concern.

This has enlarged local activity, for the federal dollars have often provided only the starting funds, to be matched by local funds and continued by local funds. Every expansion of concern has been accompanied by an expansion of local government activity, for in most cases, local government provides the delivery system to the recipient or is the recipient.

The comparison is sharp as we have moved from a conservative and limited role in the citizen's life, providing basic services only, and responding when called upon, to a local government role of concern for his employment status, his housing, his treatment of equality, his leisure hours, his old age, his safety on the streets and many others.

Housing is an integral part of the work of local government. To test that hypothesis, let us ask at what point in urban society can it be said that an individual or family is housed? Certainly this does not include just shelter or a house. An individual or family can be said to be housed only when those services exist which cities and local government provide - a dependable water supply, sanitary and storm sewers, waste disposal, fire hydrants, police protection, fire protection, adequate streets, schools and parks. When approached from this direction, local governments must be concerned about housing as basically as any element in their planning.

Until the past few years, we have been growth oriented at most local government levels driving to accomodate to that growth by finding ways to finance sewers, extend the streets, and enlarge enlarge enlarge almost without limit. Today as we reevaluate our goals, we must look at what kind of a city, county or region do we want, how do we or should we relate to the other governmental entities. Many of those plans, decisions and actions will be related to housing, its construction, its design in the sense of clusters, open space, provision for various economic segments, provision for elderly and minorities, rehabilitation, renewal and many other factors as they should be included in the regional scope by the local governments concerned.

Urban housing is the complex product of both private and public investment and effort; it is the immediate physical and service environment for individual and family living. Its improvement will make local governments more livable; its improvement should bring greater stability and make better citizens possible to be developed within our communities. The considerations which will be taken into account in the succeeding pages will emphasize the considerable investment which all local governments have in HOUSING and suggest some beginning approaches.

A. WHICH IS LOCAL GOVERNMENT

The proliferation of government at all levels requires that at the outset we discuss LOCAL government and specify our area of interest. The LOCAL governments of the Bay Area are many; their interest in HOUSING varies from no or little concern to intense concern.

We shall consider that there are, for the purposes of this discussion, three classifications, as follows:

1. General purpose- contained within this group are the cities and counties, each operating under a separately elected Board or Council, providing a variety of local services within their jurisdiction, and capable of use of the police power;

2. Schools- although school districts perform only a single function, education, they are traditionally separated as a unit standing alone in view of their financial size and impact upon the entire populace;

3. Special districts- these are usually formed for the provision of a special purpose or function, often involve several to many general purpose units, and may be limited in their financing. Such districts most often have some use of the police power.

The Association of Bay Area Governments (ABAG) was formed by General Purpose Local governments; in the past few years ABAG has accepted Associate membership from both School Districts and Special Districts.

B. WHAT IS HOUSING TO LOCAL GOVERNMENT

How is the subject of housing viewed by General Purpose local government-

1. Rather fundamentally it is the residence area of the citizens of that jurisdiction for living, sleeping, raising children, getting old, recreating and on whose value these citizens pay higher and higher sums in the form of real property taxes as a major support of the financing of local government;

2. HOUSING has become a subject of great concern to the Federal government which asks local government an increasingly long list of questions about the housing within its jurisdiction in connection with formerly unrelated programs;

3. The State has shown new interest with the permanent establishment of the Department of Housing and Community Development, standardized codes, state certificated factory housing and a mandatory requirement that there be a Housing element in the general plan of every city and county;

4. Housing is an area within local government where codes and inspection philosophy have changed radically;

5. This heightened concern has brought about routine removal of unsafe housing by the action of elected officials in many jurisdictions with strong public support;

6. Housing is a subject area which provides a new focus upon the environment of neighborhoods which have been poorly or inadequately planned and which have left local government with heavy costs in remedying police, traffic, health and safety problems.

7. Housing has provided a focus for major changes in local government activities of this past generation and more particularly in the past decade.

School Districts generally have taken very few positions with regard to housing even though some of their problems stem from this lack. Historically over the past forty years, schools have successfully expressed their independence from other local government for reasons related to control of programs and similar matters. This action has resulted in their being excluded from many areas of their greatest interest, namely those that affect their costs and attendance areas. This has not brought results fully in their interests.

The structures housing the students during the school day have been repeatedly denied as an area of local concern. State codes and state inspection have superceded local action. It is an area peripheral to this paper, but changes in the school methods could be combined well with the changes in housing that are beginning to appear.

Special districts have variable interest in housing, but this could stand rationalization in each case. EVERY special district has been formed because of a people need and that people need often came about due to some aspect of housing- location, distance from employment, ghetto

development, sprawl, need for renewal or rehabilitation, etc. And almost every special district has a further interest in that property taxes form the base of their revenue.

Housing as a general subject is a new concern to local government, an area that needs a better educational base from which understanding and participation could improve.

II Intergovernmental Regulations and Influence

The Federal effect upon local government and the housing within its limits has been large and is trending larger. F.H.A. has been the dominant force in homebuilding for the last forty years and has provided a framework which conventional financing has been required to follow. Coupled with that has come the most dynamic period of growth in California and in the Bay area. At least two thirds of all housing in the Bay Area has been constructed during that period.

The lack of planning by local government, with the frequent substitution of competitive goals for quality goals, has been the result. Potentially the same organization which directed the creation of sprawl and the lack of calculated cumulative effect will now control even more particularly the activities of local government through their financial activities. This phase of federal activity was relatively minor forty years ago, but today, federal funds dispensed with strings attached represent more than one fourth of the total budgets of general purpose local governments in California.

The State which historically has left it to local government for the provision of local services has entered the scene with new minimums under standards for housing, construction, materials, and an overall consistency.

III LOCAL ACTIONS OF HOUSING REGULATION

Generally, codes to control the manner and materials of housing construction are a development of this century. Until the last generation and more specifically the last decade codes have been used for construction only. So long as housing was built on a one at a time basis, communities seemed to believe that the artisan was building a permanent structure that would stand forever, also at that date, 20% of the population wasn't moving each year. Today the need seems more apparent. Much new housing is built by the hundreds or thousands. The construction codes to which reference is made are plumbing, electrical and building. More recently, sheet metal and air conditioning have been added. Housing Codes are of recent vintage; as of 1958, only 16 cities in the State had adopted such codes.

The adoption of such regulations came slowly reflecting the then greater respect for private property rights. The state had adopted regulations for multiple family structures based upon health and safety, with most of the enforcement at the local level.

The area of subdivision control received far greater attention with ordinances on this subject in effect in most cities and counties.



Zoning ordinances until twenty years ago were quite simple accomplishing the basic point of segregating and protecting residential uses in some general fashion largely to supplement deed restrictions. School locations were included in the state law as a matter of concern to housing location almost for informational purposes. School districts could still build schools wherever they desired after waiting thirty days irrespective of City planning actions.

Codes are being enforced retroactively today. Property owners are being required to rehabilitate or demolish. Mixed blessings are involved for much housing that was redeemable has been demolished for tax advantage to the detriment of the poorly housed in our population.

Subdivision ordinances are finally being combined with the land use code or zoning and many planned unit developments (PUD's) are being proposed with greater open space and better land utilization.

Local government is deeply involved in housing subjects.



IV. PUBLIC HOUSING ROLE WITH RESPECT TO LOCAL GOVERNMENT

This phenomenon was a development of Federal philosophy, not local. For at least a century there had been concern for tenement dwellers and their housing. In New York, regulations date back well into the 1800's, but their function was minimal requiring water in the building.

Our first statutory concern for housing certain segments of the public in California began in the 1930's and with support from Washington and a financing program with tax free bonds, thousands of units were built prior to World War II. On the West Coast, there was great scepticism and much resistance from local government to the program. The architects of the legislation designed the law to be in the hands of county officials rather than city officials. As the county officials were merely carrying out state policy, public housing authorities were established and became active with the passive or reluctant support of local elected officials.

World War II brought thousands of additional units which were stated to be "temporary", but with the baby boom and the lag in housing starts in the period from 1941 to 1946, such units stayed on and on, many until only a few years ago.

The story of public housing is important in some detail as it has provided an important focus to housing consi-

derations at the local level. The word "blight" was easily applied by any community to those "temporary" units built with public funds. The public acceptance of renewal still limited as it is in many parts of the state at local level gained many of its initial supporters from those who could see the virtue of clearing "temporary" substandard public housing.

Public housing is interesting only as an example of the catalyst action of an external subject. It has drawn emphasis to Housing through an inept mechanism. The continued experimentation in subsidized housing had its genesis in public housing.

This is an area of intense concern for the provision of public housing or what today is called subsidized housing (Section 235 and 236) brings high emotional response. In fact, every Federal program has some subsidy; it is but a matter of degree.

The purpose is high; the results less than applaudable. Governance from Washington through the puppet hands of "decentralized" federal administration has not fulfilled the purpose. The greatest value in Federal participation continues to be the catalyst role.

V. URBAN RENEWAL AND LOCAL GOVERNMENT

The redevelopment process like public housing was generated by federal action and initially federal funds. The similarity to public housing should not be ignored for its location in the government structure has been a major deterrent to its use. Again as if there would not be a justifiable use of the process otherwise, a separate agency setup was encouraged consistent with the public housing concept wherein the original law encouraged and the administration supported a separate agency from the elected officials of local government.

Local governments became supplementary to the process rather than primary.

Also, local governments were more plagued with the loss of revenue to new shopping centers and could recognize decadent and obsolete downtowns more easily than poor housing. Residential renewal was only possible in the worst of areas and particularly where the state or other public purpose would purchase a large portion of the cleared land. The new financing method using tax increment bonds found limited use and the length of the process defied political support. Today the process is gaining new stature and more communities are using the state law without federal funding, but not for housing. The difference in time needs, the lack of complicated paper processing

VI. Local Government Structure

The history of government in California makes it emphatic that LOCAL government is government to most citizens:

- the protection of life and property are performed locally; there is no State police as in a number of states.
- inspection of new structures is a local responsibility.
- local planning, although under current attack on subjects such as the coastline, is a local determination and with it has been the control of land use, an expression of the police power.
- the public works function has been and is under the control of local government with the exception of the State Highway System and instances where the actions of local governments may have a deleterious effect upon adjoining local governments or the state itself as has been determined in the area of water pollution.

Cities have been primarily property serving agencies. The library was for many years the only generally dispensed city service that did not serve the property. When the City did serve a person, it occurred only in a period of crisis such as a fire, a traffic accident or a criminal experience.

Then, recreation programs began to be introduced. Like libraries, they suffered budgetwise in comparison with the established property serving departments. One by one, other subject matters appeared.

But generally, the cities either did not accept social subjects as their responsibility or left it to some other government to serve the people needs.

School Districts after World War II found more ways to be non-coterminous with city boundaries and no solution was developed to preserve civic unity for parents and the children of those parents in the same governmental unit for schools and the other local governmental services. Response to problems of development became divided. Cities and schools each became more competitive as they experienced more revenue demands. The citizen taxpayer was not served as well by this division as he might have expected.

The separateness of the schools and the institutionalizing of districts in this manner was performed locally through the use of state legislation that had been adopted with the support of local districts.

and the need for local justification only are drawing new attention to this technique.

It has limited usage for local government in the housing field except in instances where HUD will make continuing financial commitments. Private redevelopment has a greater future, with the appropriate use of state law.

The problem of land aggregation in developed areas is approached with this means. Private investment coupled with public interest and understanding can use this legitimate method for relief of stagnated areas, for stimulation of private interest in communities and for selective solution to specific community or even regional problems.

In some cases, consistently with past philosophy, enforcement of state codes has been placed at the local level at local expense. Examples are mobile home enforcement, air pollution enforcement and others. These have provided guides to local government in the designation of appropriate minimums below which the state has indicated non acceptance.

Within local jurisdictions the state has contracted to provide Inspection capability. Of subtler substance but ultimately more persuasive have been the increasing regulation of physical facilities such as the well drilling regulations, emphasis on the requirement for sewer systems rather than septic tanks, inspection of water systems and the application of modern health standards. Each of these has added to the difficulty for private firms to develop housing anywhere except in a location already providing such facilities routinely.

Both the Federal Government through the Department of Housing and Urban Development and the State require that each city and each county have a Housing element in their General Plan. In the case of Federal programs, the lack of a Housing Element will cut off certain funds to that jurisdiction, and the State in its administration of the 701 program, is requiring the same of local governments.

The Association of Bay Area Governments is only one of a number of Councils of Government in California. Councils of Government or COGs are developing methods to approach the difficulties between governmental units and provide a forum for the problem solving which is required on issues that are larger than the single jurisdiction and often extend throughout the region. COGs organized in California today represent over 90% of the State population and over 80% of the Counties of California.

Problems studied by such groups include transportation, regional parks, coastline, water pollution, air pollution, health, criminal justice and yes, housing.

Intergovernmental relations are a rapidly developing group of linkages which will encourage local government action.

Concurrently more education was deemed necessary for all students with the result that Community Colleges were mandated throughout the state adding two years to the schooling cost and thereby to the property tax cost. This added another participant to the scramble for the property tax and added another pressure point.

The County in California generally is the State arm of personal service, operating the welfare, health and hospital systems and serving as the enforcing agent for state law in unincorporated areas and agent for the judicial system of courts, probation and holding facilities such as jails. This segregation of function and duplication of coverage has tended to draw a gauze curtain over which agency does what in the public understanding. The citizen receives a citation from a City policeman, but has to go to a County office to pay his fine.

Added to this, the County has taken on the property serving functions as well. In fact, two of our largest counties, Los Angeles and San Francisco have all the powers of municipal government. Small wonder the citizen asks: Will the real local government stand up.

In the housing field, Counties are required to have Planning Commissions, Housing Elements in their General Plan, a Housing Code, construction inspection, subdivision or-

dinances, and the Board of Supervisors appoints the Housing Authority for the county with no legal requirement for city participation in the appointments and no way to remove appointments or terminate the Authority. A city has no direct recourse except to appoint their own authority or have the Council become the Authority, a method that became permissible only in the past few years. The entire housing legislation represents a combination of social philosophy and an end run around the maintenance of local government responsibility.

In fact, public housing has been a failure though seldom labelled so. It has achieved the smallest amount of public acceptance that might be imagined. After 35 years, in 1970, only 1.08% of the dwelling units in the Bay Area counties were public housing and two thirds of that total was in San Francisco. Without San Francisco's units, only $\frac{1}{2}\%$ of the units were public housing in the other ABAG counties. The law should be changed to mandate the public housing function as a part of the fabric of the city or county in which the units are located. Housing should become a division of Community Development or a separate department in City or County government. The Advisory Commission could remain where desirable locally. This would involve the cities more fully such as Inglewood and Richmond have done already and terminate inap-

appropriate Federal and State assignments, to the betterment of the residents and the jurisdictions alike.

Urban Renewal, like Public Housing, was a creation of the Federal. State law wisely permitted the City Council or Board of Supervisors to be the Agency, but Federal advice and the failure to recognize its intimacy to the local government process permitted the dual representation. That separate entity then became the local voice with HHFA and later HUD. Today a new pattern is evolving. The Agency should be composed of the elected officials. Anyone else acting in that capacity creates communication and verbiage problems as any bureaucrat can appreciate.

The Federal program has bogged down almost from its inception. Started with high social purpose and less than minimum dollars it went the typical route of expansion from its primary purpose of housing improvement into commercial areas thus accentuating the dollar need. Many cities, some in this area, became bagged by this HUD spread. Commercial funding spurting at the outset became a dribble and as problems became identified and communities tooled up to work upon the newly identified problems, HUD became a drip with pennies where dollars were needed and complications and excessive paper where simplified processing was needed. Today this federal tool has bro-

ken its commitment. Recently the Secretary of HUD labelled the Model Cities program a failure due to local government. On the contrary, the failure as in many other federal programs is the lack of continuity in the Federal Commitment. And perhaps that's the saving grace. Housing and Renewal have been declared to be local problems and most local governments now recognize this.

Although it may seem out of order at the outset, let us develop a parallel theme with respect to private financing. HUD's programs of long term financing, increased home ownership, guarantees against loss and similar features have all been good. HUD, FHA, HHFA and all the other acronyms have rendered good service as catalysts.

Private financing at practically the same interest rate can provide a home to almost anyone who pays his bills. That is, to a person who signs for an obligation with the intention of paying it off and does so. Private finance today will loan 95% on housing. This is almost identical with HUD programs and in some cases better. The HUD programs founded in a deficit philosophy can compete no better in the money market today than private capital even on a tax free basis.

Local government structure is amenable to increasing its thrust into Housing as a subject. In fact, local government is the best government to do so.

Special Districts

ABAG is fortunate and unfortunate. As the man said, the good news is that the uncommon beauty of San Francisco Bay provides you a basis for identity with it and for each of those lucky jurisdictions, this has provided a visible common purpose. Small wonder that multi-county regional organizations without such a visible identification have difficulties.

The bad news at least to many students of government is that you have the most extensive and powerful collection of special districts known to California in a metropolitan area. Each does its own thing, often a single function. Measured against the single purpose for which each was founded, each is performing well. Viewed with a BAYVIEW perspective, that is, a Bay area citizen perspective, they compete with each other with taxpayer funds, often contradicting the public purpose and fail to serve the general public purpose in many ways. Each is funded specifically, in most cases from the property tax. Most have low public visibility for their normal operations only becoming visible when necessary to gain new tax approvals or other increased revenues. They are a competent

group who generally profess little or no interest in housing as such even though their existence by any fair interpretation is a result of housing location and composition. They are not in the determinative pattern. Their decision currently is NOT intimate to new housing, demolition or relocation. They view and then act.

But some method for integrating their opinions into housing decisions would be beneficial.

Special Districts generally are well financed; it is possible to expose a single need more clearly than a multitude of needs as in general purpose government. The recent lack of dollars for San Francisco's Muny transit and the "finding" of those dollars by the Board of Supervisors came about through a change in priorities. In general purpose government, those funds came from another department's pocket or a new draw on the taxpayer. In a smaller jurisdiction, the funds would not have been found in the competition with other functions.

In the special purpose world, BART and AC transit use property tax unshared with other departments and when BART funds proved inadequate, a special sales tax was levied. These examples indicate the sharp focus the Special District can create for its single purpose. The participation of the special districts would be useful

in the ABAG determinative process. Their participation in programs such as the clearing house process for federal fund use has provided a good beginning which should be expanded. Their other role in the overall has been negative as in the Southern Crossing vote.

Although Special District perspectives are narrow, a general purpose group such as ABAG should create opportunities at every turn to encourage special district participation and support. ABAG cannot do its own work adequately without them. In the event that ABAG does not, some elected regional agency will be created which will supplant ABAG and some of the special districts. There is a common interest.

The Metropolitan Approach

Local governments, whether they be City, County, School or Special District, feel an independence due to the long history of the State delegating to local government many tasks. California has the strongest and most competent local governments of any State in the Country dating back to the Home Rule elements of the 1879 Constitution.

The very nature of that independence has bred competitiveness. New industrial development is fought over as are new shopping centers, office centers, and until recently, new population and housing developments.

Councils of Government, in their current form, date back less than 20 years. ABAG, formed of the Cities and Counties surrounding San Francisco Bay served as a model for Regional Councils throughout the United States for several years in creating coordination, cooperation and response. The numerous ABAG reports on a Regional basis which have defined the Bay in so many interrelated ways provide a valuable backdrop for the Metropolitan Approach to housing. This has become necessary to comprehend the complexities of this large problem and the singular role which ABAG can perform if the past linkages can be put to use in the formulation of this Metropolitan approach.

Some of the goals of a Metropolitan Approach include:

1. a regional information system
2. uniformity in codes and enforcement
3. identification of marketing areas, location of needs,
and quantitative measurement of those needs
4. identification of current financing patterns and future expectancies
5. the provision of an adequate outlet for creative and innovative housing approaches and the encouragement thereof
6. development of a BAYVIEW attitude that might help to transcend the inter-city, inter-county, inter-district competitiveness

Local government in California is on target for many who feel it hasn't done enough in the past in areas which are of high concern today. Much of the basis for this is false or inaccurate, but that matters little. Local government must perform in the future in a superlative fashion where in the past good or very good would have satisfied all.

This means that the 90+ members of ABAG need to agree on common grounds to the approach to HOUSING. Code standardization, fee standardization and business license standardization need to be beyond local political variability. But these are only minor points when compared with the responsibility which ABAG has a part of the Clearing House process.

The Office of Management and Budget which is the office of the President has required HUD to give to Regional Councils the review process to HUD financed housing projects in addition to many other Federal projects.

ABAG has the responsibility in using this authority to use these review rights wisely. Local governments, although not the sponsor of such projects, have the responsibility to evaluate and report upon the appropriateness of each project within its jurisdiction. Does it comply with the Community general plan- is the circulation appropriate- does it provide adequate open space- are public facilities adequate, etc. etc.??

Against this matrix every development will begin to be measured. That measurement must be fair and should be simple administratively. The rights and wrongs of many developments cannot be evaluated rationally with current information. The worst thing that might happen is that ABAG would become a blockage point in time. Time is money. Current financing methods, particularly those of HUD, have become so burdensome that the limit has been all but reached. Serious question needs be made of the role that public insuring and financing should play in the housing game. Perceptive reviews of this element of housing in the development of the Metropolitan approach may yield immense returns. The Federal role as a catalyst

has been most valuable in the housing field, but as implementors, administrators and social planners, such cannot be reported in the same measure with respect to the local government level.

Local governments, Cities and Counties, as they processed developments over the post war years, the 1950's, and the 1960's, accepted those developments that met F. H. A. standards. Today, that is labelled sprawl and its underutilization of land for housing is recognized. Let us hope local government will be more critical and more perceptive; the use of an Environmental Impact Statement or its brief equivalent will be a helpful tool if not encumbered with unnecessary extensions.

HUD is asking that a metropolitan approach be developed to improve the future decisions regarding housing locations and the satisfaction of housing needs for all elements of that total market. This is, very simply, what a metropolitan approach to housing should accomplish.

Summary

If the Bay Area is an entity, and certainly it is, to most citizens of the Region, and to ABAG, then there is validity to the study of Bay Area Housing as a unit. ABAG, as the voice of general purpose government, the cities and the counties, is the only unit able to bring focus to this subject, which has been defined so clearly as a LOCAL government problem.

In this summary area, let us suggest some objectives for Cities and Counties, for Schools and for Special Districts to work upon as a part of the Regional Study upon which we are embarking.

A. Each City and each County as active members of ABAG:

1. should create either a Department of Housing, a division of housing within an existing department such as the Community Development department, or in smaller jurisdictions, assign one individual to HOUSING with appropriate budget support. This act should constitute an acceptance of the need for constant consistent work on this subject in every part of the region, and acceptance of the role by general purpose government as the implementor in the development of solutions to housing problems on a broad regional approach.

2. should adopt a standard regional or statewide code with no exceptions in each classification to eliminate the frictional differences that exist in the private sector, and with a single standard fee schedule.
3. should participate in the development of an information system not to answer all questions, but to first get at a definition of markets and sub-markets with a maximum of input from the private sector and the State Department of Housing and Community Development. This state agency is working with the University of California on the foundation of a State Housing Information System. The developed systems should be consistent and complementary.
4. should encourage diversity and innovation. The San Francisco Bay Area is the foremost exponent of condominium and townhouse activity in the country today. Encourage ideas- There should be a place to try viable development ideas.
5. should provide a public forum for discussing housing needs of the metropolitan area and reporting appropriate information to ABAG for inclusion in the material being considered by this Task Force.

6. should encourage a freer flow of private sector information regarding the housing markets on a continuing regularized basis; anticipate the need for private investment capital and be knowledgeable about its degree of availability.
7. should provide subregional response areas where public agencies, general purpose governments, schools, and special districts could participate with the private sector.

B. The School Districts should:

1. observe and participate to the greatest degree possible in the seven parts above, and contribute the School District special expertise in the analysis of child origin areas, calculation of birth rate figures, and therefore the development of family stability indices which will help to foretell housing needs and school needs.
2. help, in the location of housing or in many cases, help to deny housing that has not been calculated for its effect and therefore would be deleterious to a school district financially.
3. assist in ways to help develop with the assistance of housing changes, an improvement in schooling for minorities, or other displaced elements of the enrollment.

4. suggest ways whereby development for open space and parks could be combined with schools to gain advantages which might not have been obtained otherwise.

C. The Special Districts should:

1. through their specific information system, keep this task force and ABAG aware of information relating to housing needs, residence versus employment locations, concentrations of problems such as extreme air pollution potentials, critical areas of interest at Bay frontage, and similar matters.
2. provide a forum for housing needs relating to impact areas such as BART station locations.
3. indicate where convenience assists could be provided which might mitigate previous housing decisions in the transportation area.

As final comments, California has already taken into account and adopted every measure currently recommended by the Federal Advisory Commission on Intergovernmental Relations.

The State guidelines, drawn in 1970-1971 with the author's participation, emphasize the regional role in housing and

the need for overviews of this complex subject to provide a frame of reference within which local governments can find their place as a part of the market and a part of the knowledge which will build a full understanding of what HOUSING is throughout the region.

The Federal Department of Housing and Urban Development is trying to help. Our fulfillment of the task which we have assumed must fit the Bay Area needs and the needs of its local governments. The social changes which are a part of this must fit economic reality and vice versa. HUD did not create the social forces and processes which must be considered as a part of this work. The responses which must be made by local government must be

- responsible
- factual
- contributory
- innovative
- thoughtful

This is the kind of responses which local government working together does so well.

SOCIAL FORCES AND HOUSING PATTERNS
IN THE SAN FRANCISCO BAY AREA

A Position Paper
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The urbanization process can best be viewed as a continuing reorganization and structuring of social and economic forces. This position paper will concentrate on the primary social forces influencing the development of housing patterns: past, present and future.

To understand present and anticipate future housing patterns a knowledge of the past is not only relevant, but also essential. Many of the housing concerns we identify with the 1970s are not new. Scott Donaldson tells us, "Suburbs existed in the Time of Ur; however, the city served as a barrier to keep the working class and pariahs out rather than in. Between 2000 and 1000 B.C. greater Ur in Mesopotamia reached a population of 360,000,¹ but the inner walled city of Ur held a mere 34,000 persons."

More recently Blake McKelvey in his scholarly summary of America's urbanization process for the 1860-1915 time span writes that prior to 1920 approximately one-fourth of the inhabitants of 29 large metropolitan districts were living in the suburbs. Even then, most of these suburbanites "looked to the city for their jobs, their markets, their amusements, and their cultural life. They were glad to escape its congestion and high taxes, its noise and confusion, yet they could not dispense with it or shake its heritage. Some of the problems followed them, too, but radical measures lost appeal in their spacious setting, the goodwill of the progressive seemed for a time more appropriate."²

However, while suburbanization in the United States was already taking place in the first part of this century, most American cities at that time still consisted of "many small, rather dense, homogeneous neighborhoods, joined together by proximity and the sharing of some institutions and geographically constrained by the availability of public transit and the location of work places."³ These neighborhoods were distinct in their ethnic and class make-up; they brought an exciting diversity to the municipal community that included them all and constituted the visible steps that were climbed by those urban dwellers who were able to grasp the opportunity of class mobility. The large number of foreign immigrants, who were separated not only by custom but also by language, contributed to this desire to live among one's own. Leaving one's old neighborhood was almost always predicated on a change in class status. As William Dobriner points out, America has always had a rigid separation of rich and poor except this separation formerly took place on a neighborhood rather than community level. "Cities have always had their Park Avenue and Nob Hill sections."⁴

These pre-World War II ethnically and culturally distinct neighborhoods differ from today's neighborhoods in two significant ways. First, most of these neighborhoods were geographically constrained so that the majority of the institutions were shared.



Thus, diverse classes of people were brought together in the marketplace, the public school and in the pursuit of recreational activities, greatly contributing to the interchange of ideas and the richness of city life. Second, there were few large concentrations of readily identifiable racial minorities. In 1900, for example, "San Francisco contained half of the Bay Area's population. However, only 5% of the approximately 345,000 San Francisco residents were non-white, the majority of these of Chinese extract." 5

Despite the myth of the "melting pot," social policy in this early period was not predicated on the premise that neighborhood "heterogeneity" is good and "homogeneity" is bad. However, the belief that better housing would cure specific social problems of the poor was evident as far back as the early 1900s. "A committee of fifty headed by Seth Low of New York studied the liquor problem in seventeen cities and in the course of ten years published several reports, one entitled, 'Substitution for the Saloon.' One reformer, reasoning that a better home life was the first need, urged American communities to provide housing for the poor similar to pioneering projects in Scotland." 6

With the exception of the Chinese, migration of racial minorities came relatively late to the Bay Area. World War II with its requirement for large war-related labor inputs attracted large numbers of persons to the Bay Region. San Francisco, per se, experienced a 22% increase in population. Black migrants accounted for approximately 40% of the absolute increase in population, now becoming the dominant non-white category. While many of these rural black migrants were attracted to the greater metropolitan area by war jobs, they sought housing in the cities because this is where the older, less expensive housing stock existed. Thus, the majority of these new migrants moved into older units and specially constructed "temporary" housing in Hunters Point, the City of Richmond and the flatlands of Oakland.

At the same time that minority households were moving into San Francisco, Oakland and Richmond, higher income white households were exiting in ever-increasing numbers. However, this exodus was not just a reaction to the change in central city populations, but also to the allure of the suburbs with their newer housing and cheaper land costs. Despite the fact that this position paper is concerned with social forces, such forces did not and do not operate in isolation but work in conjunction with economic and institutional forces. It is important to at least note the contributions of FHA policies and the federal subsidization of highways and public service costs to the suburban exodus.

Life in the suburbs fit in well with the post-World War philosophy that the "ideal" family consisted of three to four children, a non-working wife and mother, and a commuting father living together in a house with a green yard and a patio. The function of the neighborhood was to foster togetherness. That goal was served by the architectural openness of the dwelling unit, and the neighborhood barbecue get-together actually did exist outside of the novel and picture show. In the suburbs, the formation of social relationships among neighbors was the normal expectation. Thus, when persons with vastly differing life styles intruded into the suburban setting, these expectations were violated, making suburban tolerance of difference less than that characteristic of city dwellers. Dobriner attributes this to the greater "visibility" of suburban residents to their neighbors. He states, "Suburbanites can observe each other's behavior and general life style far more easily than the central city dweller." 7

It is important to point out that suburbs vary in their socio-economic composition. Not all of the new suburban neighborhoods consisted of middle and upper income households. There was not and is not a single homogeneous suburbia, but many different types of suburbs from the working class suburb described by Berger to middle and upper middle class suburbs described by earlier analysts such as Gans and Seeley. One can view these new suburban areas as the old city neighborhoods writ large, but with an important difference. Their sheer size and the independence of their governments has resulted in the decentralization of major urban institutions. The consequence has been today's increasing separation of different racial, class and, to a lesser extent, ethnic groupings. Before we can discuss today's or tomorrow's housing patterns, it is necessary to make explicit the interrelationship of class status and housing choice.

Since the United States has never known a feudal period or a landed aristocracy, we have not been sympathetic to the concept of class. However, out of familiar everyday American conversations comes out the recognition of class differences. In his book, Class in Suburbia, William M. Dobriner points out this historic American paradox: "Thus, while they do not consciously think in terms of class, do they nevertheless act as if class relations were a central and significant part of their lives."

This conflict between thought and deed is particularly prevalent with the middle class. In fact, the concept that "class is of no consequence" is an indication of membership in the middle class. The upper- and lower-class belief systems are much more sympathetic to the class concept. John R. Seeley points out that the concept of classlessness is not only inherent in middle-class life, but also tends to perpetuate itself in the selection of intimate relationships, including marriage partners. He continues:

But people who think along these lines are predominantly middle class people and the contrary views (on different ground) of the lower and upper classes tend to render their possessors repugnant or less attractive as possible partners for intimacy or marriage. The very belief, therefore, that "class is of no consequence" (which is on one side a middle-class view exclusively) becomes a token of compatibility and a basis for intimacy and insofar as it determines friendship, membership in a clique, and marriage, a potent factor in the maintenance of the class boundaries which "do not exist," "do not matter," or "ought not to be considered."

When one recognizes that the failure to accept the existence of class status differences even influences the middle-class marriage decisions, it is not difficult to see why the importance of this social factor in the selection of housing is often obscured. Nevertheless, while the physical features of a house or apartment are important to the residents, they are buying much more than the shelter and physical comfort it provides. Seeley discussed the relationship between social or class status and the physical dwelling unit in his book, which described the lives and motivations of upper middle-class terminal suburbanites.

Property is an essential component of status in Crestwood Heights. The Crestwooder who owns an adequate house has become a substantial member of the community and, as such, is respected and admired by his peers. The house and its furnishings, the street and the street number; the location in Crestwood--all are acquired items which make up the total property complex of the house.

It is on these items, and other similar ones, that the competitive struggle of the Crestwooder for power focuses. These are the symbols around which he must center his efforts to realize the "good life" and organize the strivings which lend a meaning to his existence. Property does not, then, acquire its value directly from its intrinsic monetary worth, or from narrow utilitarian considerations, but from the public evaluations of things as they evolve in the markets of exchange and in the rialto of status. It is the attributes imputed to broadloom, or a particular style of architecture, or the work of a fashionable artist, or a street and a number, which gives them an edge as weapons wielded in the battle for social position. Utility is secondary to social acceptability.

Clearly, then, a house is far more than shelter. Its location in terms of its social milieu often outweighs the importance of its size or quality. To the outside world, and, more important, to the hidden psyche of the owner, his house serves as the material definition of his status. Furthermore, it helps define the future position of his children, since such status is transferable...⁸

Thus, the existence of children greatly influences the choice of neighborhood. Childless and single-person households tend to be far less concerned with homogeneity of neighborhood and more concerned with convenience and other factors.

The preference for neighborhoods homogeneous with respect to class is not confined to middle-class families. Vast income or class disparities within neighborhoods are not desired by most families. However, preference for similar age and income groupings cannot and should not be considered as either anti-democratic or as evidence of bigotry. It is better described as a preference for living among those whom one perceives as similar and with whom one feels comfortable. Gans explains the desire of families to live with persons of common interests in the following statement:

Children need playmates of the same age and because child-rearing problems vary with age, mothers like to be near women who have children of similar age and who practice similar child-rearing practices. Since the agreement on the ends and means of caring for child, household, and home fluctuates by class such disagreements are likely to lead to conflict. ⁹

This desire to live with persons of similar class and life styles crosses all class boundaries. In our recent Dayton, Ohio, study, we found that the majority of black households surveyed did not want to leave their old neighborhoods but, if given a choice, preferred a new dwelling at their present locations. Some of this reluctance to leave their present neighborhoods can be attributed to the fear of the unfamiliar or the desire to keep one's turf. However, much could also be explained by the security provided by their present neighbors. "A neighbor could be counted on to lend a cup of sugar, a dollar till payday or babysitting services in the expectation such favors will be returned." ¹⁰ For low income and working class households as well, kinship and neighbors provide the majority of mutual aid. Higher income households are not only less dependent on such assistance, but are also more likely to obtain it from work and institution-related social ties.

Housing patterns in the Bay Area today consist of large, relatively homogeneous urban and suburban settlements which are well described by the term "ghetto," because neighborhoods are bigger and fewer neighborhoods constitute separate jurisdictions and public service areas. Diverse groups of people are not as likely to mix at work, at school or at play as was formerly the case. Not only does each suburban community provide all of its own major institutions, but central cities as well are increasingly decentralizing their own institutions. The sheer size of these relatively independent areas has contributed to the growing separation and alienation of our society, presenting us with problems we did not face in the early part of this century.

Planners have sensed the loss of cultural diversity and inter-class communication that has accompanied the move of our population to large politically independent suburban neighborhoods. Some have called for public policies that will work to make all existing neighborhoods heterogeneous in all respects. Such policies are often seen as offering solutions to two other very major problems: namely, the non-class, illegal racial segregation that denies minorities access to the housing fruits and opportunities of class mobility, and the poverty induced problem of poor housing.

But attempts to impose heterogeneity through programs that call for all neighborhoods to provide housing for all the classes, races and ethnic groups found in a region run counter to the strong social forces that have worked to make our neighborhoods homogeneous with regard to class. The reactions of these forces to programs that seek to impose heterogeneous living patterns on all citizens may be even more damaging to interclass communications and the provision of opportunities for individual class mobility than is our present situation. It can also add a new dimension to racial segregation if it treats all minorities as if they were of one class or restricts the integrity of their own culture. Finally, all such attempts to redirect social patterns by altering housing patterns run the risk of wasting the resources required gradually to erase the need for any person to live in poor quality housing.

If we accepted the premise that social ills can be cured by new housing in heterogeneous neighborhoods we would have to discard much of the existing older housing stock and replace it with new housing in new neighborhoods. At this point in time, the resources required to provide new housing units in new neighborhoods for all those currently living in substandard housing are simply not available.

Consider, for example, the number of new units that would have to be built to replace the nation's existing substandard and overcrowded units - that is, to fully meet current housing needs

as they are conventionally defined. Frank S. Kristof's report on housing needs to the Douglas Commission estimated that need to be 10,787,000 units as we entered the decade of the 1970s. His estimates included 6,883,000 substandard and 3,904,000 overcrowded units. ¹¹ If we were to ignore the demands of new household formations and replacement needs to concentrate on meeting this current need identified by the Douglas Commission at \$20,000 per unit, we would spend \$215 billion assuming that we had enough trained workers, land and material available to build the required 10 million plus units. If such an effort did not generate further inflation, which it would, it would require more than one and two-thirds of the nation's total gross private domestic investment in 1970. This single effort would require more expenditures than the total federal government's outlay that year, and it would be more than two and one-half ¹² times our Vietnam swollen total defense expenditures of 1970.

Alonso and McGuire point out in their recent ABAG report, "Housing the poor in planned new towns appears to be less efficient both politically and economically and therefore not a sensible regional strategy." ¹³ While some new subsidized units can and should be provided, the majority of the poor will continue to be housed in older dwelling units. If the housing needs of the less affluent are to be met, then some of our resources will have to be invested in the renovation and rehabilitation of the existing stock in existing neighborhoods.

If we believe that the people for whom one is planning are on the whole the best judges of where they want to live, then it is counterproductive to advocate a distribution plan based on extreme neighborhood heterogeneity. The preference of many or most members of all socio-economic classes for homogeneous neighborhoods cannot be ignored. The provision of choice in the selection of housing does require that suburban communities facilitate the entry of those middle and upper middle class black and other minority groups who desire to live there. Those who will be attracted to middle class suburban life are in fact those who will most likely fit in, no matter what their race or ethnic background, because they are likely to choose suburban neighborhoods on the same class basis as the white residents who precede them. Thus racial and ethnic integration, if permitted to occur voluntarily and unhindered by discrimination, is likely to proceed without problems where class homogeneity is unaltered.

However, a housing program which enforces class heterogeneity on suburban neighborhoods is not likely to draw favorable reactions from either present middle class suburbanites or low income inner city dwellers. To the extent that people prefer to have "their own kind" as neighbors, that option must be available to them.

This does not mean that policies of racial or ethnic or class exclusion should be supported. On the contrary, such barriers must be eliminated. Groups now discriminated against by formal and informal regulation of suburban housing patterns should have the opportunity of selecting a suburban home. The real issue is social mobility, the assurance that progress up the socio-economic ladder holds out the same promise of reward for everyone. If the middle class is defined by a single-family suburban home with green lawn and patio, that choice must be as available to minority groups as it was to those who now live there.

To provide housing in middle income suburbs for low income city dwellers, however, will require a set of strategies to supplement the enforcement of open housing legislation. Scattered site subsidized housing in the suburbs is possible for those among today's inner city residents who already have middle class aspirations. For those not desiring to adopt the middle class life style, our planning must consider the critical importance of providing supportive neighborhoods to inner city dwellers who want to move to the suburbs without dramatically changing their life styles. What is needed is a new concept: the relatively class-homogeneous mini-neighborhood. Those neighborhoods should be large enough to provide the unique social and public services demanded by the residents but - and this but is crucial - small enough so that the inhabitants can meet other diverse groups in the sharing of institutions including the sharing of schools and jobs.

Enforced heterogeneity is likely to be counterproductive to the goal of expanding the opportunities for upward class mobility. In America, where status through achievement has always been highly valued, the house and neighborhood have served as a primary symbol of this achievement. Since status definitions form an important part of a person's self or identity, the attempt to remove the primary symbols or signs of this status is likely to result in undesired repercussions. For example, if persons are forced to live adjacent to much lower status households they are likely to respond with acts of ostracism. This outcome is of no benefit to the ostracized newcomer. It is a response, basically irrational, to the imposition of a system which is not acceptable to the community. After all, those systems characterized by class-integrated residential neighborhoods have also been characterized by birth-determined social status. In such systems, lower status people "know their place" so that residential segregation is unnecessary. This was the case in the cities of the south until the last few decades. That is not, however, the social system which currently operates in this country. Americans in general accept the existence of class-homogeneous neighborhoods. Status-differentiated neighborhoods are indicators of class mobility, which most of us value, and to enforce a system contrary to that most of us accept is likely to be, at best, unproductive.

To look at the patterns of housing change in the Bay Region, we turn to some comparative data on the density and make-up of the regional population base. The Bay Area currently contains approximately 4,630,000 households. The three principal cities in the Bay Area - San Francisco (715,674), San Jose (445,779) and Oakland (361,561) - contain one-third of the region's population. Between 1960 and 1970 the two older central cities, Oakland and San Francisco, experienced a net out-migration of whites (Oakland 22.7% and San Francisco 15.4%) and a net in-migration of non-whites (Oakland 30.4% and San Francisco 27.6%). However, these net migration statistics do not tell the whole story.¹⁴ The natural increase, or the increase in San Francisco's white population due to births, was 972. During the same decade the net increase of non-white San Franciscans was 31,201. This discrepancy in birth rates can partially be attributed to the fact that younger white families have already moved to the suburbs and that the remaining white population is skewed to the elderly, while the non-white population is primarily in the child-rearing stage. Black households contributed 60% of the natural increase in population. However, the Orientals accounted for 90% of 1960-70 San Francisco increase through migration. The recent rate of Chinese immigration can be expected to continue as a result of the elimination of immigration restrictions, while the rate of black migration is expected to remain low.

San Francisco's share of the Bay Area population in all racial categories decreased in the 1960-70 period, with the largest decrease experienced for the white population. Table 1 presents the 1970 racial distribution of Bay Area cities over 50,000 in total population. As would be expected due to the supply of older housing, the older central cities have the largest proportion of racial minorities. However, each of the communities has a non-white population of 3% or more. In other words, it is apparent that non-white dispersal is already taking place. Persons with Spanish surnames have not been separated from the generalized white category and therefore their residential patterns are not shown in this table.

Table 2 depicts the 1960-70 population change and percent of non-white in the Bay Area's developing communities drawn from the recent ABAG report, "New Communities in the Bay Area." These communities contain a median of 3.5% non-white at the same time non-white residents comprise 13.6% of the Bay Area's total population. With the exception of one community, Cupertino, all of these communities have shown an increase in non-white population. Hayward, Daly City, Fairfield and Vacaville have all experienced at least a 5% increase during the decade of the 1960s.

Future housing patterns will be based not only upon past social forces and present demographic patterns, but also upon emerging life styles. Since we are in the midst of several strong social

Table 1
Racial Composition of Bay Area Statistical Areas of 50,000 or More

Places of 50,000 or More	Racial Categories						All Others
	White	Negro	Indian	Japanese	Chinese	Filipino	
Alameda	64,093	1,869	362	683	1,021	2,249	691
Berkeley	79,041	27,421	327	3,417	4,035	1,126	1,349
Concord	83,409	243	162	1,796	1,801	490	569
Daly City	58,048	3,641	189	424	1,108	2,677	835
Fremont							
(urban part)	96,480	396	334	598	555	780	522
Hayward							
(urban part)	87,234	1,688	476	679	790	728	1,409
Oakland	213,512	124,710	2,890	2,405	11,335	3,633	3,076
Redwood City	53,495	948	148	447	194	124	330
Richmond	47,368	28,633	360	999	635	472	576
San Francisco	511,186	96,078	2,900	11,705	58,696	24,694	10,415
San Leandro	66,642	84	245	473	464	330	460
San Mateo	71,661	2,862	140	2,281	1,143	310	594
SF-Oakland SMSA							
Urban Balance	1,073,678	38,426	3,164	7,651	7,662	6,117	6,832
Mountain View	47,120	674	138	1,437	541	825	357
Palo Alto							
(urban part)	51,720	1,459	123	949	1,001	213	303
San Jose	415,566	10,950	1,941	6,966	2,583	2,579	3,365
Santa Clara	83,725	687	413	917	479	766	676
Sunnyvale	90,286	750	247	1,492	1,273	734	626
San Jose SMSA							
Urban Balance	290,230	3,328	1,086	9,266	1,885	1,377	1,831

Source: General Population Characteristics-California, 1970 Census of Population, U.S. Department of Commerce, Bureau of the Census, Table 23, p. 6-100.

Table 2 ¹⁵

Developing Communities in the Bay Area, 1960-1970

	Population		1960-1970 Change		Percent Non-White	
	1960	1970	Numerical	Percent	1960	1970
ALAMEDA						
Fremont	43,790	100,869	57,079	130.3	1.7	3.2
Hayward	72,700	93,058	20,358	28.0	1.5	6.2
Livermore	16,058	37,703	21,645	134.8	1.7	2.9
Newark	9,884	27,153	17,269	174.7	2.3	5.4
Pleasanton	4,203	18,328	14,125	336.1	0.5	2.0
Union City	6,618	14,724	8,106	122.5	3.7	6.6
CONTRA COSTA						
Concord	36,208	85,164	48,956	135.2	1.0	2.1
Lafayette	7,114	20,484	13,370	187.9	0.4	1.0
Martinez	9,604	16,506	6,902	71.9	1.5	3.9
Pinole	6,064	15,850	9,786	161.4	0.6	3.3
Walnut Creek	9,903	39,844	29,941	302.3	1.6	1.9
MARIN						
Larkspur	5,710	10,487	4,777	83.7	0.7	1.2
Novato	17,881	31,006	13,125	73.4	4.3	5.0
San Rafael	20,460	38,977	18,517	90.5	0.9	2.5
SAN MATEO						
Daly City	44,791	66,922	22,131	49.4	2.6	13.3
Half Moon Bay	1,957	4,023	2,066	105.6	2.6	2.9
Pacifica	20,995	36,020	15,025	71.6	1.1	5.5
SANTA CLARA						
Campbell	11,863	24,770	12,907	108.8	1.7	3.4
Cupertino	3,664	18,216	14,552	397.2	4.9	3.6
Gilroy	7,348	12,665	5,317	72.4	2.7	6.4
Los Altos Hills	3,412	6,865	3,453	101.2	0.7	2.0
Los Gatos	9,036	23,735	14,699	162.7	0.8	1.7
Milpitas	6,572	27,149	20,577	313.1	6.0	10.8
Monte Sereno	1,506	3,089	1,583	105.1	1.1	2.0
Morgan Hill	3,151	6,485	3,334	105.8	3.4	5.9
Mountain View	30,889	51,092	20,203	65.4	3.9	7.8
Santa Clara	58,880	87,717	28,837	49.0	1.7	4.6
Saratoga	14,861	27,110	12,249	82.4	0.9	2.1
Sunnyvale	52,898	95,408	42,510	80.4	1.7	5.4
SOLANO						
Fairfield	14,968	44,146	29,178	194.9	5.3	12.4
Vacaville	10,898	21,690	10,792	99.0	2.5	7.1

	Population		1960-1970 Change		Percent Non-White	
	1960	1970	Numerical	Percent	1960	1970
SONOMA						
Petaluma	14,035	24,870	10,835	77.2	0.8	2.2
Santa Rosa	31,027	50,006	18,979	61.2	1.1	2.5
Total Developing Communities	608,948	1,182,131	573,183	94.2	1.7*	3.5*
Total 9-County Bay Area	3,638,939	4,628,199	989,260	27.2	10.2	13.6
Developing Communities as Percent of the Bay Area	16.7	25.6	58.0			

SOURCE:

Adapted from Bay Area '70 Census Series, San Francisco Bay Area Council, San Francisco, 1970. This publication is based on first census counts, and therefore is subject to change and adjustment on later counts. Thus, there is an inconsistency in the reported growth of Lafayette between this publication and the U.S. Census publication PC(VI)-6.

*Median.

movements it is difficult, if not impossible, to predict with certainty all of the significant changes that are likely to occur or their ramifications. However, it is highly likely that the current women's struggle will result in their greater participation in the job market and this, in combination with the ZPG movement, is certain to reduce the birth rate in the foreseeable future, as it has in the recent past. The existence of children and the natural desire to transmit social values from one generation to the next has been and is, as noted before, a huge determinant of housing and neighborhood choice. The childless working wife is much more likely to select a neighborhood because of its proximity to job or important services than she is to select a neighborhood because of its homogenization of child-rearing values. Such a situation would obviously have an important impact on both racial and class segregation. On the other hand, homogeneity may still be desired but based on generational rather than racial or class groupings.

Although we can only speculate on some of the changes the future is likely to bring, we can state unequivocally that a regional perspective in planning is and will continue to be mandatory. Unfortunately, we are living in a period in which communities are becoming increasingly isolationist. Many are now beginning to say loud and clear through the political arena that they are unwilling to accept increased population, irrespective of the socio-economic status of new residents. But when one community elects to make it difficult or impossible for newcomers to migrate, the ramifications are felt regionally. Such an act on the part of one community is likely to have the impact of raising the price of housing elsewhere in the region. ABAG has an opportunity to plan for future Bay Area housing development not in a vacuum but with cognizance of the social, economic and institutional forces at work. The social forces point to the following types of considerations:

1. The wishes of the people being planned for, poor and higher income alike, must be considered and incorporated in the plan.
2. We must recognize that not all of society's problems can be solved through housing solutions. This recognition means that goal priorities will have to be set.
3. If ABAG's primary housing goal is the provision of increased housing opportunity for the low income, we must provide an increased supply of housing in the suburbs as well as the central cities.

4. A proportion of the newly built subsidized units should be built in suburban mini-neighborhoods which permit racial heterogeneity but class homogeneity. These neighborhoods should be large enough to provide the types of unique services needed by the residents, but must be small enough to encourage the joint use of institutional facilities.
5. Suburban communities that accept or encourage the movement of low income households should not have to bear the financial burden of providing the required increased public services.
6. New life styles must be contemplated and incorporated in future planning efforts.

The complexity in planning for a diverse region is horrendous, particularly if we value the diversity. The protection of minority rights at the same time consideration is given to majority priorities poses a Solomon-like dilemma which we must grapple with together.

NOTES:

1. Scott Donaldson, The Suburban Myth (New York, London: Columbia University Press, 1969), p. 184.
2. Blake McKelvey, The Urbanization of America, 1860-1915 (New Jersey: Rutgers University Press, 1963), p. 242.
3. Nina Jaffe Gruen and Claude Gruen, Low and Moderate Income Housing in the Suburbs: An Analysis for the Dayton, Ohio Region (New York: Praeger Publishers, Inc., 1972), p. 38.
4. William M. Dobriner, Class in Suburbia (Englewood Cliffs, N.J.: Prentice-Hall, Inc., 1963), p. 125.
5. "San Francisco 1970 Census Summary and Analysis," A Report Based on the 1970 Census of Population and Housing, Prepared by the San Francisco Department of City Planning, Appendix III-1.
6. McKelvey, op. cit., p. 160.
7. Dobriner, op. cit., p. 9.
8. Gruen and Gruen, op. cit., pp. 44-46.
9. Herbert J. Gans, The Levittowners: Ways of Life and Politics in a New Suburban Community (New York: Vintage Books, 1969), p. 167.
10. Gruen and Gruen, op. cit., p. 26.
11. Frank S. Kristof, Urban Housing Needs Through the 1980s: An Analysis and Projection, Prepared for the National Commission on Urban Problems, Research Report No. 10, Washington, D.C., 1968, p. 8.
12. Mr. Kristof recognized this and after commenting on the sustained level of affluence that had reduced our housing needs during the decade of the 1950s and 1960s he estimated that 21,250,000 dwellings would be built during the decade of the 1970s which, after meeting the requirement of new household formations and replacements, would still leave the nation with 7.7 million substandard and overcrowded units in 1980. He estimated that the construction of 23,425,000 new units in the 1980s would drop our housing needs to 5,685,000 by 1989. In that year, Kristof estimates our housing stock will be 98,743,000. If he is correct, 54% of these units, or 53,968,000 dwellings of this stock, exist today.
13. William Alonso and Chester McGuire, "New Communities in the Bay Area," A Report Prepared for the Association of Bay Area Governments, September 1971, p. 29.



14. "San Francisco 1970 Census," op. cit., p. 18.

15. This table has been taken directly from the William Alonso and Chester McGuire Report, "New Communities in the Bay Area," Prepared for the Association of Bay Area Governments, pp. 18-19.



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Nina Jaffe Gruen is the principal sociologist for Gruen Gruen + Associates. Prior to forming the company, Mrs. Gruen was an independent consultant specializing in urban sociology, marketing and survey research. She has designed and directed a broad variety of studies that have required the utilization of survey research and sociological techniques to probe into the attitudes, motivations, preferences and behavior of important groups. She is a pioneer in the synthesizing of behavioral research information with time-series data in order to forecast market and social reactions to presently unavailable service and product options.

She has done sociological research related to housing demand since 1963. In that year she was the sociological consultant to the Better Housing League of Cincinnati and conducted an intensive analysis of attitudes toward housing in various neighborhoods of Cincinnati and led a space study of a large apartment housing complex. Subsequently she has helped develop housing programs for private real estate developers and public agencies such as the Dayton Planning Board. She recently directed a major housing study for the Miami Valley Regional Planning Commission which probed the potential impacts of placing various low and moderate income household types in the Dayton, Ohio suburban areas. The major components of this study are presented in the recently published book, Low and Moderate Income Housing in the Suburbs: An Analysis for the Dayton Ohio Region, Nina J. Gruen and Claude Gruen, Praeger Publishers, Inc., January 1972.

Mrs. Gruen received her B.A. with high honors and an M.A. in Psychology from the University of Cincinnati. Her graduate research at the University of Cincinnati was in the field of Social Psychology. She also attended the University of California as a student in the Ph.D. program of that university's Sociology Department.

Mrs. Gruen has taught on the faculty of the University of Cincinnati and the University of Kentucky at Covington and in 1969 she served as a guest lecturer at the University of California at Berkeley's Department of City and Regional Planning. Mrs. Gruen is a member of the American Sociological Association, Phi Beta Kappa, Psi Chi, the Western and International Regional Science Association, the Academy of Political and Social Science and the American Association for Public Opinion Research.

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Roberta Mundie is a planning analyst with Gruen Gruen + Associates. She has participated in several housing-related studies as a member of the firm. For a housing market analysis for a large Orange County developer she performed the sampling and served as field supervisor during the interviewing phase. She is currently completing a study of the impact of a proposed "no residential growth" policy on the costs and revenues associated with providing local government services in a growing suburban area of the Bay Region. She is also actively involved in the preparation of an NDP application, including programs specifically designed to improve residential neighborhoods, for the City of Lawrence, Kansas.

Prior to joining the firm, Mrs. Mundie served as a planner with the San Francisco office of HUD. There her responsibilities included the review of applications for grants under several HUD programs. She also performed an analysis for the use of the San Francisco office of housing elements sent to the regional office by Washington as examples of commendable work in housing by public agencies.

Mrs. Mundie received the A.B. cum laude from Radcliffe College and the M.C.P. from the Harvard Graduate School of Design. In her thesis, she examined the impact on housing costs of the designation of historic preservation districts in four eastern cities. Following the three-year M.C.P. program, Mrs. Mundie received a Harvard University appointment as Frederick Sheldon Traveling Fellow. In this capacity, she undertook a comparative study of the financing of preservation activity in Japan, Great Britain and France.

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PERSPECTIVES ON A REGIONAL HOUSING PLAN
FEDERAL PROGRAMS, POLICIES AND PROBLEMS

JULY, 1972

By

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PERSPECTIVES ON A REGIONAL HOUSING PLAN

Federal Programs, Policies and Problems

Emphasis on planning for housing by state, regional and local government is a marked departure from the history of public involvement in the housing process. It comes after years of experience with local development plans and zoning practices of limited scope and narrowly defined objectives. It grew out of years of fragmented federal programs which solved some problems and created others. It is now recognized that the housing process is extremely complicated and is intertwined with economics, politics, social concerns, racial attitudes and strong interest groups.

Historical Perspective

Historic justification for public intervention in housing was the concern for preserving health and safety. In early America, local control was exercised on building heights, chimney maintenance and rubbish disposal. Later the health and safety concept was expanded to use housing as a means of influencing social behavior. Pre-World War I housing reformers aimed to improve housing quality to eradicate or alleviate "objectionable social behavior" among the working class such as alcoholism, prostitution, crime and pauperism. They sought state and municipal intervention through enactment and rigorous enforcement of building and housing codes.

During the depression of the '30s need for stabilization of housing ownership justified creation of the Home Owners Loan Corporation and in 1934 the Federal Housing Administration and long-term, low-down payment mortgage loans were instituted. These programs served middle income families and involved no subsidies (the original underwriting grant was eventually repaid to the treasury by FHA). However, in 1937 the first national legislation providing direct financial assistance for housing was approved by Congress. Public housing was intended for temporary use by working class families, again on a rationale of influencing social behavior.

What is essential here is that (1) justification for housing subsidies was based on tangential social issues rather than the fundamental fact that some families simply could not afford to obtain housing through the normal operation of the housing market; and (2) when approaching a solution which involved the infusion of large amounts of money the national government was the natural entity, rather than use of some other governmental level (though local housing authorities are authorized by state laws).

The years between World War II and the present are replete with national enactments concerned with housing the the broader issues of urban development. Health and safety, improved labor standards, social control and other tangential objectives were still influencing the shape of individual segments of national legislation, but there was recognition of the fact that the "housing problem" was extremely complex and would not respond to simplistic single-purpose solutions.

We now have a national housing policy, creation of tools for urban redevelopment, the fostering of a comprehensive planning process, institution of fair housing laws and regulations, advent of Model Cities, inclusion of interest rate subsidies in the mortgage insurance programs and establishment of ten-year housing goals. While government intervention in the housing process still falls short of goals, current actions amply demonstrate fundamental change of philosophy and willingness to provide massive investment to achieve these goals. American democracy now accepts the right of each person to have an adequate home in a decent environment, even at public expense. Lists of HUD programs and funding in the Bay Area are attached to illustrate the extent of current federal involvement in the housing and development process.

Basic Problems

This brief exposition of one hundred years of housing history in the United States is designed to establish a framework with respect to where we have been and what we are now doing. There are several basic weaknesses in the practice of public intervention in housing; though others could be identified, if those listed here could be addressed effectively we would be a long way toward solving housing problems.

First, until recently there has been little recognition (or, if recognized, acceptance) of the idea that a basic problem in housing is an inequitable delivery system resulting from the difference between the cost of producing housing and the economic capacity of many families to obtain it.

Second, each of the several Federal Housing programs was influenced by selected interest groups and was legislated to serve relatively narrow objectives and discrete clientele. Each of the programs has specialized requirements and provides relatively little flexibility in marketing.

Third, public intervention in housing, through both federal programs and locally accepted (if not encouraged) practices, has aided in the perpetration of dual housing markets among racial minorities.

And finally, except to the extent that they have code and zoning programs, levied taxes and accepted (or at least not resisted) federally assisted housing, most communities have chosen not to intervene in the housing process, certainly not in any comprehensive fashion. Even at present housing decisions are made by private entrepreneurs and the Federal government in a local policy vacuum. This factor is even more extreme on a regional basis where multiplicity of local planning districts has resisted development of area-wide strategies.

With respect to the first point, the gap between the ability to produce housing and the ability of some families to obtain housing is now recognized.

We are no longer dependent upon health and safety and social control as justification for public intervention. This reduces the distortions which such objectives frequently produce in programmatic approaches. National policy to this affect was first expressed, although not fully acted upon, in the 1949 statement of national housing goals to provide "...a decent home and suitable living environment for every American family." This was reaffirmed in the 1968 Housing Act which determined that this goal could be achieved over the next decade by producing 26 million housing units of which 6 million would be for low and moderate income families. Further, the 1968 enactment calls for the President to submit to Congress an Annual Report on National Housing Goals relating progress achieved in meeting the nation's housing needs. Thus at the national level we have a housing policy, a set of quantitative goals and have instituted a device for improving the housing delivery system overall.

Second, fragmentation of federally-assisted housing programs, and ancillary programs in community development is a well known fact. Fragmentation grew out of the patchwork history of public intervention in housing sketched briefly at the outset. It was no accident that there was a middle-income mortgage insurance program before there were subsidized low-rent housing and interest rate subsidies. Historically, we intervened gradually, addressing each problem as if it were a discrete entity. We made mistakes, we noted deficiencies, we made corrections, we intervened again. Each new intervention was based on more experience and, significantly, was always broader in approach.

The Congress in this session is studying legislation which consolidates in one executive department an array of programs in housing and community development -- both urban and rural. The Congress is considering enactment of major housing legislation which reduces considerably the number of separate housing programs and their separate requirements. Further, the Congress is considering legislation to provide community development revenue sharing. The purpose of these proposed enactments is to simplify the process and to make it possible for state and local government to use Federal programs in a more strategic fashion in addressing the problems and priorities that they recognize.

Third, at the Federal level and among many state and local jurisdictions, housing discrimination has been recognized as a reality. Enforcement agencies have been established (although they are for the most part grossly understaffed) and the judicial system has been able to assume appropriate jurisdiction. Federal and local officials as well as private entrepreneurs in reviewing where housing is produced, who produces it, and who is to utilize it now have a basis for decision making -- a body of regulation designed to overcome the effects of past discrimination and to prevent future discrimination. HUD recently implemented Project Selection Criteria and Affirmative Marketing to deal with this problem. The effort is new but the prospect is promising. If nothing else, we will never be able to return to the era of "red lining" and of separate but equal housing facilities.

This brings us to the final point that needs attention--intervention in the housing process by state, local and metropolitan governments beyond the traditional notions of code enforcement, zoning restrictions and tax levies.

With a few notable exceptions, local intervention has been extremely limited. Housing has traditionally been left to the erratic pressures of the market place. By contrast to other municipal activities--i.e., education, law enforcement, health and sanitation--housing has been a long time without recognition as a responsibility requiring municipal management. Even public housing agencies usually are independent boards, with little deliberate relationship with city planning and policy units.

This situation has left a major void in the body of knowledge about the housing process that could have contributed much in shaping effective local strategies. Even when local bodies acknowledge existence of a housing problem, they are unable to present that problem in a studied, well thought-out manner. Just as with the development of federal legislation and programs over the last 40 years, local bodies are influenced by an array of interest groups who have their own axe to grind. Local government lacks a comprehensive body of knowledge and policies about housing upon which to make judgements as each situation develops and each interest group presents its case.

The 1968 Housing Act calls for state, local and regional planning agencies to include a "housing element" as part of all comprehensive land use plans funded under Section 701. (California adopted similar legislation in 1968 requiring housing planning in cities and counties throughout the State.) The goals for the housing planning effort are as follows:

- (1) To assure that housing concerns and needs become an integral part of the community planning and management process;

- (2) To eliminate effects of past discrimination in housing based on race, color, religion, or national origin and to provide safeguards for the future;

(3) To develop housing growth policies which would insure the provision of an adequate supply of housing, a variety of housing types, and proximity of housing to jobs and daily activities; and

(4) To provide a decent residential environment throughout the planning area by insuring that all housing receives a proper and equitable delivery of public facilities and services.

The housing planning process will serve to correct the essential missing ingredient in public intervention in housing -- study, analysis, understanding and strategy development on the part of state, local and regional government. It is vital to developing effective public action in housing and providing a policy framework for private investment. While the national government can develop instruments to deal with issues of housing finance, fragmented program requirements and racial discrimination, unless local officials comprehend the problem and have a strategy for use of these tools the results will fall far short of goals.

REGIONAL ACTION

All of the above has dealt with the historical and philosophical aspects of housing planning. It is of little consequence if it cannot be related to the realities of the here and now. In simple terms, the inadequacies of the past efforts in housing certainly provide ample justification for the new direction and new formats in which to examine the housing process. As important as is local understanding and acceptance of housing as a municipal function, so too is it equally important for municipalities to view their problems outside the confines of their political boundaries. Housing markets generally do not adhere to arbitrary boundaries any more than do transportation

networks, labor markets or environmental problems. Local housing planning efforts can only assume rational proportions within the context of a well conceived regional housing plan and housing planning process. This is true for all metropolitan areas and especially true for the Bay Area as the imminent operation of the BART system further reinforces the recognition of the "real city". As the advent of jet air transportation reduces the differences between people of the earth, so too the efficiency of transportation does the same for people in an urban region. The distinctions between people are lessened. The interdependence between people and communities increases.

The recent elections in two cities in the Bay Area limiting new residential construction can not help but affect other jurisdictions. A rent control measure in one locality impacts upon others as do zoning policies, restrictions upon certain types of housing, and unique and specialized housing code requirements. These issues need study and analysis in the regional as well as the local context. The irony of this is that just about the time the national government has come to grips with its fragmented housing policy, local governments are taking unilateral steps which fragment the housing markets of the "real city".

In retrospect it is easy to see why this is occurring. Lacking any plan for housing around which local jurisdictions can plan and negotiate a strategy, they are forced to take extreme measures to serve their own self interest.

ABAG serves as a forum for a number of regional issues. Other area bodies exist to deal with specific assignments such as transportation, air pollution and Bay development. But as yet no single entity is created to adopt and implement housing and community development strategies. The ABAG staff report of March 15, 1972 to the Regional Planning Committee entitled "Framework for Establishing a Regional Role in Housing" presents an excellent format for a regional housing planning process. HUD officials wish to cooperate with this effort and we look forward to the time when it will be an operating reality.

HUD RESOURCES

To this end we offer a proposal for ABAG's consideration. Our major concern is the rationale for allocation of HUD resources to affect the quality of living in the Bay Area. At present each of the several HUD client groups (i. e., builders, public agencies, local governments) apply to us independently for financial assistance. While there are regional review processes (e.g., A-95, environmental clearances and planning standards) these reviews are really part of a reactive process. They may stop a project but they exert no positive influence upon where a project should be placed.

At such time as the required housing planning process which is now beginning is developed, adopted and considered to be an operating instrument we offer to engage in a series of periodic negotiations with ABAG regarding the allocation of HUD resources in the Bay Area. We expect this to include guidance for HUD-FHA insurance decisions and for allocation of subsidized housing based upon a fair share distribution model. We would expect these

negotiations to be related to revenue sharing community development programs of the various Bay Area cities and counties. Given lack of such a plan HUD is already making decisions affecting regional growth. The attached list of HUD programs, 1972 funding and housing allocations illustrates the extent of the existing federal role.

Conclusion

While this paper has dealt with philosophy and planning concepts, let us not lose perspective on what we are about. Our real concerns have to do with the human system how people live. Within the human system we in the public sector are attempting to resolve inequities in economic and social affairs.

Economic, social and political affairs are interrelated. To enhance the lives of all we seek an optimal benefit ratio between these elements. The Bay Area is a socioeconomic whole. Its wellbeing is dependent upon where and how its population lives, works, travels and how they gain and preserve their living environment. This country is experiencing the tension between the spirit of unlimited individual freedom and emergence of community social goals which require mutual participation. The Association of Bay Area Governments has an opportunity to marshal Bay Area resources to create a planning process and action program which will benefit many generations to come. It can be a vital focus for both public and private community forces and could turn unfilled hopes into reality for many who are awaiting your action.

REGIONAL HOUSING SUBMARKETS
IN THE SAN FRANCISCO BAY REGION

A Position Paper for a Regional Housing Task Force of the Association of Bay Area Governments.

"The fragmentation of governments in the metropolitan area both mirrors and reinforces the competitive anarchy of the market for urban land."¹

"Social policy for the elimination of poverty and the provision of decent housing will in time come to grips with the metropolitan nature of the urban economy and the metropolitan housing market...as the focus of planning shifts from fixing up the ghettos to integrating low-income groups with the rest of society, the scene of action will shift from neighborhood or single communities to the metropolitan area...Comprehensiveness in planning may result not so much from the work of any one agency as from the interaction of many agencies at different levels of government."²

Introduction

This paper takes the above two quotations as its point of departure and addresses itself to the question of how a regional governmental and planning agency with limited powers can improve the effectiveness of each of the Bay Area communities as well as the region itself in meeting their various housing needs. In order to illuminate this question, this paper focuses on the various submarkets in the region in the belief that through an understanding of their characteristics, sufficient insight may be acquired which can be used to answer the questions posed above. Thus this paper first turns to explaining the characteristics of housing submarkets. Then attention is directed to a presentation of both historical material and present information on the subject. Two methods of delineating spatially distinct submarkets is offered next. This is followed by a review of some of the factors in the Bay Area which affect submarkets. Finally, a series

of steps is suggested to place a submarket approach into the regional housing plan. Such an analysis could be undertaken by the Task Force, and it would result in showing the impact of the submarkets on the housing element.

The Dimensions and Character of Housing Submarkets

Housing markets may be divided into separate subcategories, each of which are sufficiently distinct from each other so as to involve separate policies, programs and analyses. This section reviews these submarkets and discusses some of their salient characteristics in the Bay Region.

The first of these submarkets is spatial; that is within the ABAG region there are separate markets for housing between and to a lesser extent within each of the nine counties which compose the ABAG region. Here the critical research question is: what is the areal extent or the limits of the location of each of these primary markets, and how do they interact and overlap upon each other. In Alameda County, for example, does San Leandro compete with Hayward for prospective residents, and, if so, what are the physical boundaries of such competition?³ It is important to know the spatial configurations of the various housing markets because it is only with such a delineation that one can begin to study the growth, decline and static developments in order to get a relative measure of the conditions of each of the various markets. Specifically, spatial submarkets must be defined before any housing market forecasts can be made. These forecasts may be related to supply, demand, or need and might well be made by this Housing Task Force. Studies of submarkets, however, do not exclude studies at a larger areal scale. As the ABAG Regional Housing Study notes, "To the extent that families seek residence in areas larger than a single county there would appear to be a need for an area-wide study in response to their needs. The data available does not provide a precise answer to the question, but some valuable insights into regional housing markets can be gained by reviewing...selected housing market data."⁴

Another basic submarket is that of tenure. The supply and demand characteristics are quite different between apartments and single family residences. The nine Bay Area counties are by no means uniform in this regard. In 1970, for example, there were more than twice as many rental units as owner-occupied units in San Francisco; in Contra Costa County, the ratio was just the reverse, while in Alameda County there were about an equal number of each type. Mobile homes are emerging as a distinct market. In 1970, there were more than 25,000 such units in the Bay Area, but two counties--Santa Clara and Sonoma--accounted for more than 50% of them. These different kinds of housing types imply different housing problems with different approaches and different solutions required. To cite just one example, in Eastern cities the principal housing problem is the abandonment of large stocks of rental housing units in the inner city, yet very little, if anything, is known about the potential prevalence of this condition in West Oakland or in the Iron Triangle section of Richmond.

A third important distinction in housing markets is concerned with the size of the unit--and the household size. There are acute differences in these factors in the Bay Area. The median number of persons occupying a housing unit in Santa Clara County was 2.9 in 1970; in San Francisco it was 1.9. The differences within Santa Clara County, however, were even more pronounced. Thus the median family size in Saratoga was 3.7 persons while in Mountain View it was only 2.2 persons. These striking differences imply differences in lot size, in number of rooms per housing unit and even in the age of the unit itself.

A fourth differentiation may be made with respect to price in the housing market. Again, there is no one housing market in terms of cost or selling price. The modal value for owner-occupied housing in the Bay Area in 1970 was between \$25,000 to \$35,000. In Napa, Solano and Sonoma Counties, however, the most prevalent price line was between \$15,000 and \$19,000, while in Alameda County it was between \$20,000 and \$25,000, and in Marin County it ranged between \$35,000 to \$60,000.

Similar variations may be found in rental units. Efforts to achieve economic integration of suburban communities are thus hampered by the fact that in many places there is almost no range of housing values available, but further work is required to document the degree to which this assertion is valid.

Historical Patterns and Present Distinctions

The preceding section has indicated some of the current distinctions in the San Francisco Bay region which support the notion that there is not one housing market in this region, but rather, many such separate markets. These distinctions have always existed and are now becoming even more pronounced. The number of persons per household in San Francisco has always been low relative to the rest of the Bay area, but this relationship has become even more acute over the past four decades as the following data reveals.

TABLE 1

CHANGING HOUSEHOLD SIZE IN SAN FRANCISCO, 1940-1970

<u>Year</u>	<u>Number of Persons/Household</u>
1940	2.80
1950	2.70
1960	2.44
1970	2.34

Each city has a somewhat unique pattern. The population per household in San Jose, for example, between 1960 and 1970 runs counter to the trend and is increasing, while each city has a rather low ratio with San Francisco having the lowest such ratio of any city in the Bay Area.

TABLE 2

POPULATION PER HOUSEHOLD SIZE: 1960-1970 FOR SELECTED CITIES

<u>City</u>	<u>1960</u>	<u>1970</u>
Oakland	2.6	2.5
San Leandro	3.2	2.8
Hayward	3.5	3.2
Richmond	3.1	2.9
San Jose	3.0	3.3

TABLE 2--Continued

<u>City</u>	<u>1960</u>	<u>1970</u>
Fremont	3.6	3.7
Napa	2.8	2.8
San Rafael	2.7	2.8
Total Bay Area	3.9	2.8

The significance of these statistics for housing markets is that some communities will need housing units with fewer bedrooms, i.e., studio apartments, while a few communities will need homes with even more bedrooms than in the past. San Francisco, on the other hand, has typically one-half a person less per household than the typical Bay Area community.

Another picture comes into focus when we compare the distribution of races by city in 1960 and 1970. The following table shows that in that decade the Black population has tended to grow in areas in which they were already present in 1960:

TABLE 3

BLACK AS A PERCENTAGE OF TOTAL POPULATION

1960-1970 in Selected Cities

<u>City</u>	<u>1960</u>	<u>1970</u>
Emeryville	17.6	37.4
Richmond	20.0	36.2
Oakland	22.8	34.5
Berkeley	19.6	23.5
Suisun City	7.4	23.0
Pittsburg	14.0	22.0
Menlo Park	13.2	17.4
Vallejo	16.5	16.6
San Francisco	10.0	13.4
Total Bay Area	6.7	7.9

As should be evident, the Black population is by no means evenly distributed throughout this region either in terms of population or in terms of housing units.

In general, there is a higher percentage of Black renters than owners. This information is shown in Table 4 below:

TABLE 4

BLACK HOUSING STATISTICS BY
BAY AREA COUNTY, 1970

<u>County</u>	<u>Percent Black of Total Population</u>	<u>Percent of Total Housing Units Occupied by Blacks</u>	<u>Percent of Owner Units Occupied by Blacks</u>	<u>Percent of Rental Units Occupied by Blacks</u>
Alameda	15.0%	1.42%	10.8%	17.7%
Contra Costa	7.5	6.7	4.9	10.8
Marin	2.4	1.6	.6	3.2
Napa	.7	.2	.1	.2
San Francisco	13.4	11.0	8.5	12.3
San Mateo	4.7	3.8	3.3	4.7
Santa Clara	1.7	1.5	1.1	2.2
Solano	9.8	8.4	7.0	10.2
Sonoma	1.0	.7	.4	1.3

Another disparity exists with respect to the value of housing. There is some correlation between the county with the highest or lowest monthly rents and the value of housing when expressed in terms of median value or by the percentage of inexpensive units. Table 5 gives those relationships by county:

TABLE 5

VALUE OF DWELLING UNITS
BY BAY AREA COUNTIES, 1970

<u>County</u>	<u>Owner-Occupied Units</u>		<u>Renter-Occupied Units</u>	
	<u>% of Housing Units Valued \$10,000 or less</u>	<u>Median Value of Housing Unit</u>	<u>% of Housing with Monthly Rental \$79 or less</u>	<u>Median Monthly Rent</u>
Alameda	1.0%	\$23,665	13.3%	\$121
Contra Costa	1.7	25,721	20.8	125
Marin	.4	33,858	7.3	161
Napa	2.9	21,100	18.3	101
San Francisco	.66	28,057	18.0	128
San Mateo	.4	30,396	5.3	154
Santa Clara	.6	27,308	8.1	143
Solano	3.5	18,714	21.0	107
Sonoma	4.4	20,867	25.3	101
Total Bay Area	-	\$26,115	-	\$131

There are also differences on a county level in terms of the distribution between renter units, owner units, and vacancies. Sonoma County, for example, has the largest percentage of vacancies, and San Mateo County has the lowest percentage of vacancies of the Bay Area Counties. This material is shown below in Table 6:

TABLE 6
PERCENTAGE DISTRIBUTION OF HOUSING UNITS BY TENURE
BY BAY AREA COUNTY, 1970

<u>County</u>	<u>Owner- Occupied Units</u>	<u>Renter- Occupied Units</u>	<u>Vacant</u>
Alameda	49.9%	46.3%	3.8%
Contra Costa	67.3	29.7	3.0
Marin	57.8	37.1	5.1
Napa	61.5	34.2	4.3
San Francisco	31.3	63.8	4.9
San Mateo	59.4	37.8	2.8
Santa Clara	53.1	42.3	4.5
Solano	54.5	40.9	4.7
Sonoma	56.0	31.0	13.1

Methods of Delineating Regional Housing Submarkets

It is generally recognized that the differentiation of housing markets by tenure, size, and price are methodically clear cut once the requisite census data is available. This is not the case, however, with spatial distinctions. The Government Manual, FHA Techniques of Housing Market Analyses, notes:

The first step in undertaking a housing market analysis is the delineation of the spatial entity which constitutes the housing market area with which the analysis is concerned...A housing market area is the geographic area 'within which all dwelling units are linked together in a chain of substitution' or in other words, the units are in competition with one another as alternatives for the users of housing...This definition implies a preciseness in area delineation which cannot be achieved. A technique is not available to determine the exact points at which specific dwelling units are just beyond the range of competition with other units so that precise limits can be established for delineating the housing market area. Moreover, if such a technique were available, the limitations of available data would preclude its application.

While such may be the case, it is necessary to make such determinations and a number of techniques are available to assist in this analysis. We offer two

such methods: The first of these employs the use of knowledgeable local real estate brokers. These persons should be given a map of their area and asked the extent of the housing market in their community. This should be done in conjunction with other locally oriented information sources. One which we prefer is the local newspaper or the separate edition of metropolitan papers. The distribution areas of these papers and editions is mapped and the trading area of each is thus disclosed. When done for a region, it is possible to delineate various areas which correspond closely to the boundaries of housing submarkets.

Another method employs the concept of "commuting sheds." In any subarea there will be some "cross hauling." Thus in 1960, about 8,000 Alameda residents worked in Contra Costa County, and almost 35,000 Contra Costa residents worked in Alameda County. Nevertheless, most natural commuting sheds are rather well self-contained. For example, 90% of Solano's residents worked in that County in 1960. This amounted to 89% of the total work force of the County. When these same types of relationships are developed for smaller areas within counties, it is possible to approximate the limits of these commuting areas. Data from the Bay Area Transportation Study is available to make these determinations based on patterns of the mid-sixties.

A more current source is the United States Census. This information should be available in October in published form, although tapes are presently available from which to extract specific detailed figures. The census is expected to publish 20 places of work associated with each city of 20,000 or more population. An analysis of these data should provide a means to distinguishing commuting areas and hence housing submarkets. As mentioned above, once the housing submarkets have been delineated, it is possible to make housing forecasts based on factors of supply and demand as well as need and policy.

Factors Affecting Regional Housing Submarkets

The November newsletter of ABAG featured the story that: "HUD's area office director, James Price, met with ABAG's Executive Committee in October and declared

that Bay Area housing has a housing disaster. Ten percent of the region's dwellings are substandard, with 42,000 families living without inside plumbing. HUD is now subsidizing 36,000 housing units per year in the region...Price feels that a regional housing partnership is needed to design a plan."⁵ This quotation did not state that this disaster could only be viewed in relative terms since the number of units subsidized represent less than 3% of the total housing stock and the percentage of substandard dwellings is down appreciably from the level of 1960. However, the fact remains that a plan is required--by virtue of the statute in the 1968 Housing Act which calls for housing to be treated as an element of the comprehensive plan. As Beckman has noted, "This new required planning element has, of course, a compelling social dimension. To address housing is to address the problems of income levels, cost and codes, equal access and discrimination, taxation and exclusionary zoning."⁶

While ABAG has dealt with the issue of cost and codes, to some extent, and although questions of equal access and discrimination are the proper province of another paper, the problems of income, taxation and exclusionary zoning appear to be one bundle of interrelated factors which are being challenged and changed by recent California court decisions.⁷ In Southern Alameda Spanish Speaking Organization Versus Union City, California, the U. S. Court of Appeals for the Ninth Circuit ruled in March, 1970 that zoning regulations may not be made to deny decent housing opportunities for the poor. Thus it would seem that every Bay Area locality should examine its zoning ordinance and strike out, if present, references to large acre residential zoning. This would then allow the development of low-and moderate-income housing in many communities where such has not been the case heretofore.

An even more far reaching decision was handed down last summer by the California Supreme Court which may signal the end of the present system of financing local schools. In Serrano versus Priest, the court said that the local

property tax "invidiously discriminates against the poor because it makes the quality of a child's education a function of the wealth of his parents and neighbors, e.g., of the value of the housing. Recognizing, as we must, that the right to an education in our public schools is a fundamental interest which cannot be conditioned on wealth, we can discern no compelling state purpose necessitating the present method of financing." Although the implications of this decision on the local property tax as the principal means of financing local schools is by no means clear, it is obvious that this decision has significance for various components of the regional housing market.⁸ A number of questions present themselves which require further examination: Would a uniform property tax be acceptable?; should taxes be collected by a regional agency and then dispursed on the basis of need?; would intercommunity bussing be an acceptable solution?; and finally, what would be the impact of any or all of these measures on the local housing market?

When we leave the legal world, we note that there are factors from other domains which affect the various housing markets of the region. Perhaps, the most far reaching and pervasive of these forces is the transportation system. The overwhelming defeat of the proposition which supported the Southern Crossing in early June would tend to reinforce local housing markets by making it more difficult to get from one area to another in terms of travel time. On the other hand, a more homogenizing force is the Bay Area Rapid Transportation District. This surely will be the most important single element in shaping the region's future form. Housing markets have and will develop near its suburban stops. The time/distance relationships between Fremont and San Francisco, for example, will shrink from their present 50 minutes (by car) to 35 minutes. As a consequence, many more people who work in San Francisco would consider living in Fremont than is now the case. To some extent the impact of B.A.R.T. has been anticipated, yet, its ultimate effect on the future regional housing market is still one of conjecture.⁹

A Series of Steps for the Housing Task Force

The result of any housing planning study by this Task Force might be to outline a series of programs which ABAG might use as it acts as HUD's certifying agent in the Bay Area. It is beyond the scope of this paper to suggest what all the elements might be. Indeed, that would be the end rather than the beginning of such an effort. It is not, however, inappropriate to suggest that one element might be the capacity of each spatial submarket to accept low income housing and to indicate how such a criteria might be developed if this is deemed a worthwhile objective. Such a study might well be undertaken by members of this Task Force.

As is traditional in the planning process, it would seem necessary to first delineate the submarkets and also to establish a set of housing goals. Having established these objectives and after making sure that they are operational and measurable, rather than being merely platitudes, members of the committee should then rank each submarket in terms of the extent to which it meets each of these criteria. From this research the Task Force could devise a short-range housing strategy in conjunction with a forecast of housing market and submarket needs. ABAG could then specify the number and type of federally assisted housing units which should be developed during this period in each of the submarkets to meet the goal. This procedure is shown in Figure 1. By assisting actively in the selection of housing sites suitable for low-and moderate-income households, ABAG could also serve as a useful ally of local housing authorities and other sponsors when they are faced with the objections which almost invariably arise once a site is chosen. Furthermore, if such a research program were undertaken, ABAG would be in a much stronger position to indicate to HUD which communities should receive federal funds and which should not.

Louis K. Loewenstein, Ph.D., AIA
June 15, 1972

DELINEATE SUBMARKETS

spatially
by tenure
by size
by price

FORECAST SUBMARKET

by supply
by demand
by need

FOR EACH SUBMARKET
AND FOR EACH PERIOD

ESTABLISH HOUSING GOALS

Amount of Low Income
Housing desired in
submarket
Other goals

RANK OF SUBMARKET

How much-if any-
low income housing
is required to meet
goal now

COMPARISON

How much low income
is required to meet
goal in future

STRATEGY

How to achieve building
of units needed to meet
goal.

Specify number and type
of Federally-assisted hous-
ing required to meet goal.

Other steps.

A RESEARCH PROGRAM FOR THE
HOUSING TASK FORCE

Figure 1

FOOTNOTES

¹ Alan K. Campbell and Jesse Burkhead. "Public Policy for Urban America," in Issues in Urban Economics (Baltimore, The John Hopkins Press, 1968), p. 581.

² Bernard Frieden. "The Changing Prospects for Social Planning," Journal of the American Institute of Planners, Vol. XXXII (September, 1967), p. 312.

³ It is apparent that San Francisco and Daly City comprise one market, but the inclusion of Pacifica and/or San Bruno is less certain.

⁴ Association of Bay Area Governments, Regional Housing Study. Supplemental Report RA-4; October, 1969, pp. 25-26.

⁵ Association of Bay Area Governments. Bay View: November, 1971, p. 1.

⁶ Norman Beckman, "Legislative Review--1968-1969, Planning and Urban Development," Journal of the American Institute of Planners. Vol. XXXVI (September, 1970), p. 347.

⁷ For an example of ABAG's concern with costs and codes, see Association of Bay Area Government, Development Regulations and Housing Costs. Supplemental Report, p. 249 3, 5; July, 1970.

⁸ For a provocative study on school finance in California, see Betsy Levin, et al. Paying for Public Schools (Washington, D. C.: The Urban Institute, 1972).

⁹ A study to gage the impact of the Bay Area Rapid Transit District is now in the formative stage. This study will be monitored by the Metropolitan Transportation Commission.

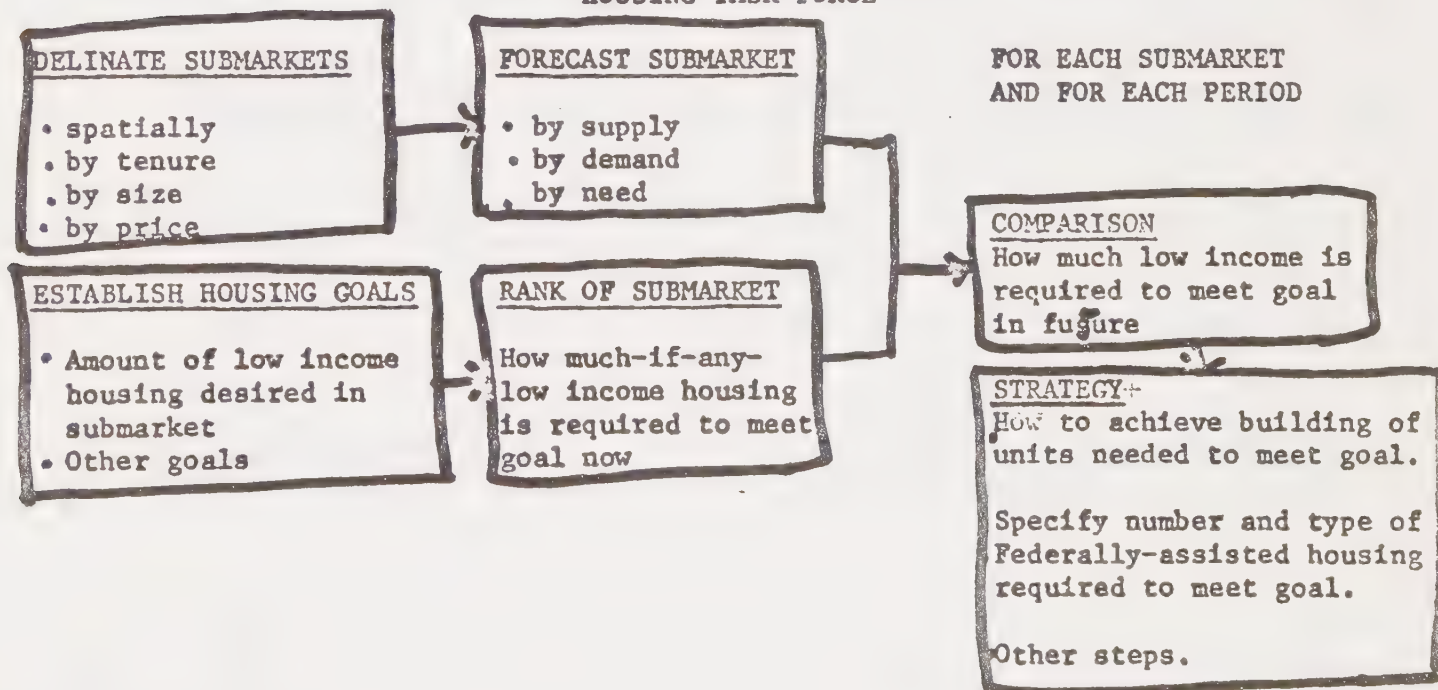
ABSTRACT

REGIONAL HOUSING SUBMARKETS IN THE SAN FRANCISCO BAY REGION

This paper is concerned with explaining the characteristics of housing submarkets, with presenting historical and current information on the subject, with showing how to delineate spatially district submarkets, with reviewing the factors affecting submarkets, and with suggesting how the Task Force can use submarket analyses to indicate how much low income housing might be provided for each housing area (see diagram below).

The paper distinguishes between various housing submarkets in terms of area, tenure, size of unit and price. It presents information on how these attributes vary by county within the Bay Region. It offers two methods for finding the areal boundaries of submarkets. It indicates that submarket analysis is a precursor to any housing forecast, and that such is an essential element in any housing study.

A RESEARCH PROGRAM FOR THE HOUSING TASK FORCE



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TRANSPORTATION AND HOUSING IN THE SAN FRANCISCO BAY REGION

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Introduction

This paper discusses some of the background and issues related to transportation and the transportation planning process which the Regional Housing Task Force should consider as it grapples with housing problems and plans for their solution. The views stated here do not represent policies of the Metropolitan Transportation Commission, but are presented by individual staff members to support regional housing planning efforts.

The paper will include a brief discussion of the functional relationships between housing and transportation, viewed from both a micro and a regional perspective. A brief outline of the transportation planning process at the regional level will follow. Finally, the major thrust of the paper will be a discussion of the key issues facing housing planners based on an understanding of housing/transportation interrelationships and the transportation planning process. These issues are:

1. What is the relative importance of transportation in the assessment of housing problems?
2. Why does the Bay Area transportation system call for regional solutions to housing problems?
3. How are the choices of our housing and transportation constrained or guided by the mutual interaction between housing and transportation?

4. How does the implementation of transportation decisions selectively affect residential areas through dislocation and immediate environmental impact?
5. How does the transportation system affect the distribution of housing choice through its influences on the location of various land uses and site values?
6. Does the transportation system available to various social groups provide for an equitable range of choices in jobs, recreation, shopping, and other activities?

Housing and Transportation Relationship

The relationship between housing and transportation is part of the broader relationship of land use and activity systems and transportation. Circulation systems simultaneously serve public needs for human interaction and communication, access to services, and the production and distribution of goods and services. More than just another element of urban form, transportation is perhaps the most significant determinant of the pattern and intensity of land use. Transportation guides the location and density of development, as well as where and how much public services are required to support that development.

Land use and transportation are involved in a continuing interplay. The pattern and intensity of land use influences the production and distribution of trips. This travel demand, in turn, influences the type and level of transportation service and facilities. Transportation access and the type of service further influence the location, type, and density of land use.

Transportation guides the location, cost, and type of housing provided, just as it influences the demand. Transportation access encourages residential development, and increases the cost of land. The cost of supplying housing

depends on land values, the residential density, and the type of dwelling unit.

Although transportation accessibility is an important determinant of residential location, the difference between central and suburban locations has been steadily narrowing. The regional trends toward physical and economic mobility and the decentralization of activities mean that large numbers of suburban families need not trade off accessibility for savings in site rent; they can have both.¹⁾ A freeway system focussed on core areas and inadequate public transportation in central cities gives the higher income suburban commuters a higher level of mobility than their low income inner city counterparts.

The regional dispersal of population and employment is actually a selective trend primarily affecting white higher income groups, while the poor and disadvantaged are largely confined to the central cities more by constraints of income and discrimination than by any intrinsic desire for central city accommodations.²⁾ In fact, the housing preference and desire for housing and neighborhood quality and for low densities is not much different for the Black or poor household as compared with the middle income household.³⁾

Transportation Planning Process

Knowledge about the land use and transportation interplay is central to the transportation planning process, and provides the basis for the development of travel estimates and transportation facilities and systems

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- (1) Michael Stegman, "Accessibility Models and Residential Location," AIP Journal, January, 1969, p. 22.
 - (2) Oklahoma-Indiana-Kentucky Planning Authority, Correlation of Population, Housing, and Travel Characteristics, November, 1969, pp. 77 and 90.
 - (3) Ibid.

plans. Since nearly 80 percent of the Bay Area person trips either start or end in residential areas, and over three-fourths of the total urban land is residential,¹⁾ residential choice and public policies guiding housing location are important to an understanding of future transportation requirements.

The transportation planning process involves the forecasting of future land use patterns and the development and testing of proposed transportation programs. The procedures and models applied in developing land use and transportation systems permit the testing of alternative land use and transportation patterns reflecting different types of planning policies and assumptions. For example, MTC land use forecasts will simulate land use under controlled trends, based on present trends and local planning policies; regional planning controls, based on ABAG's policies on city-centered regional growth and development; and on other possible combinations of policies. The development and testing of transportation facilities against the transportation requirements implied by these alternative futures will follow.

In an effort to coordinate regional land use and transportation funding, MTC and ABAG have worked out memos of understanding providing for joint participation in regional transportation planning. MTC has been delegated to provide comprehensive regional transportation planning for the nine-county Bay Area. After adoption of the Regional Transportation Plan in July 1973, the Commission must review and approve all regional applications for publicly-assisted transportation grants. MTC will also administer transit funds under SB 325 authority, which allocates a portion of State sales tax revenue to public transit. Staff will coordinate planning in 11 transit planning projects. In addition, a study of the impact of BART will be coordinated by MTC.

(1) Bay Area Transportation Study Commission, Bay Area Transportation Report. Bay Area Transportation Study Commission, Berkeley, California, May 1969, pp. 20 and 27.

The Bay Area's commitment to regional approaches to planning problems is reinforced by the planning interrelationships discussed earlier. The coordination of housing with transportation planning should be part of this process, and the following are some of the issues which the Regional Housing Task Force should consider.

ISSUE 1. What is the relative importance of transportation in the assessment of the housing problems of the Bay Area?

In assessing the housing problems of the Bay Area, there are two intertwined components to consider: First, there is a problem in distributing housing equitably to all groups in the Region. How can we provide housing for the poor and the minorities at prices they can afford, with enough space, at locations of their choice? Secondly, there is the problem of the pattern of housing development. Where in the Bay Area should housing for all people be built, at what densities, and in what pattern?

There are a number of factors influencing both basic components of the housing problem. These factors include social attitudes, political and financial institutions, the existing tax structure, the development industry, and, of course, transportation. Of these factors, transportation is probably not a key obstacle to the solution of housing problems. This is not to say that transportation systems and changes in the transportation system have no influence on housing. The types of influences deriving from the interplay between housing and transportation were described before and some of the key issues surrounding this interplay are elaborated. Also, local and regional transportation systems can have strong local effects on housing.

Therefore, the relationship between housing and transportation should be viewed as something for the Regional Housing Task Force to be aware of, to

exploit when possible, but the bulk of its energy would best be applied to some of the more critical obstacles to the provision of adequate housing for all in a development pattern consistent with a broad range of social goals.

ISSUE 2. Why does the Bay Area transportation system call for
Regionwide solutions to housing problems?

The interplay between housing and transportation described earlier was based on the role of transportation as the linkage between different activities engaged in by residents of the Region. These activities are distributed throughout the Bay Area. However, the historical development pattern of the Region, as well as current trends, provide us with specialized concentrations of activity in certain areas. For example, downtown San Francisco and the portion of the East Bay are areas with especially high employment. Fringe areas and downtown areas provide different types of recreation activities. Much of the housing is located in-between. Very few areas provide a broad range of activities within a small area. Therefore, most people find that they must travel to various locations in the Region in order to meet various needs in their lives.

Each residential area will be most accessible to a slightly different set of activities. These differences will, on the average, be reflected in the life styles of the residents. However, because we have an extensive transportation system which permits reasonably convenient access throughout the Region, one may live in a wide variety of locations and carry on certain activities in particular locations. This means that if housing is improved in one area of the Region, regardless of the nature of this improvement, more people will find that area a suitable location to live.

What has just been said is a long way of saying that the housing market for a given house covers most of the Region and that the level of mobility provided by the transportation system is a key factor in determining the extent of this regional housing market area. In fact, the variety of activities in which most people are engaged is so great that one could say that the transportation system is making the housing market a Regional market except for those houses in which the market is restricted by local discrimination against certain social groups such as Blacks or by exclusionary pricing practices.

What does the Regionwide housing market mean in terms of housing problems? The primary implication is that improvement of the housing situation for sub-markets such as the poor and minorities must be viewed in terms of the needs of these groups measured on a regional scale. A particular city or county does not have a specific quantity of "needful" persons because almost any program to provide housing selectively in one locality will, due to the transportation system, reduce the "need" in that locality only in proportion to the degree to which it meets Regionwide needs. For example, if a city or county determines that a certain number of its residents are paying more for housing than they can afford and attempts to provide a subsidy for that number of people, then that city or county can expect to receive subsidy applications from a much larger number of people, all of whom could move to that city or county with minimal change in the activities in which they currently participate. To the extent that this happens, the needs of the residents, who were included in the measurement of need in the first place, would not be met. The particular city or county involved should try to fill unmet housing needs, but it would be cruelly presumptuous to say that they are meeting the needs of their residents unless the solution has a scale of Regional proportions.

ISSUE 3. How does the interplay between housing and transportation
constrict and guide our choices of housing and transportation?

This issue deals with the broad choices of living styles and ways of travel available to the Region in the future.

The residential choice and development pattern of the Region strongly determines the transportation choice and level of service available to residents. Dispersed, low-density development has traditionally been served by the auto and highway system, while higher density locations are more easily served by public transit. The encouragement of mass public transportation to guide efficient land development and serve a broader range of user groups, particularly the poor, elderly, young, handicapped, and women, requires associated housing policy-making and planning action.

Housing planners should consider not only the location of housing with respect to transportation, but also how the pattern and intensity of residential development can guide desired transportation levels and types of service. Dispersed, low-density living areas require a flexible mode like the auto to serve mobility requirements. Highways encourage the dispersal of housing and activities, thus reinforcing the hold of the private auto and the diseconomies of servicing urban sprawl. Scattered, low-density development also consumes limited public open space and non-renewable natural resources.

Reliance on a highway-oriented transportation system not only limits transportation options to disadvantaged groups, but also further encourages spread-out, low-density development patterns which the auto alone can easily serve. The continuing problems of traffic congestion and smog are evidence of the difficulty of breaking this cycle and devising acceptable alternatives. Until both development policies and transportation requirements are coordinated, however, neither planning function can be effective.

If we rely instead on mass transit for our primary mobility, existing technology requires housing to be located within walking distance of the mass transit stations or stops. This results in quite a different pattern. The differences in these patterns can be observed by comparing the layouts of the tight old railroad villages of Marin County with the more dispersed development of recent years.

Since we now have the auto and the possibility of more generally available mass transit, it is important to see that if new housing is built in the same pattern as the auto-oriented suburb, it is probable that transit will not be used as a general rule because the dispersed pattern is better served by an independent auto that takes one door-to-door. Also, these communities would provide limited accommodation for transportation-disadvantaged groups such as the elderly and the poor except in areas immediately adjacent to transit stops.

Because scattered, low-density development limits transportation options to the auto, the broadening of transportation choice depends on the clustering of residential development such that public modes requiring concentrations of demand become feasible. This is especially important for low mobility groups constrained from owning or operating a car, and consequently reliant on public transportation.

ISSUE 4. How does the implementation of transportation decisions selectively affect residential areas through dislocation and immediate environmental impact?

The visible elements of the transportation system have dominated the public view of transportation. This has been supported by the considerable investment and impact of physical facilities on the urban milieu. Facilities,

particularly highways, require the preemption of land and the displacement and relocation of existing activities. Neighborhood identity and interaction is frequently impaired. Highway facilities have also occasioned increased levels of noise and air pollution in the local areas they pass through; the absorption of open space; and the disturbance of natural systems.

The character of residential areas is particularly affected by the construction of transportation facilities. Facility development involves the acquisition of land for facility location and right-of-way. Acquisition of land for transportation projects often involves the displacement of residents, business, institutions, or the absorption of open space. It disrupts community identity and activity patterns, even with adequate provision for relocation. The facility itself may constitute a physical and psychological barrier to circulation and human interaction, serving to segregate social and economic groups. Some of these problems may be alleviated through more sensitive design. However, housing decision-makers should also be concerned with the implications of facility development, particularly as they affect specific socioeconomic groups. They should also be involved in the development and evaluation of transportation alternatives, including non-transportation solutions to transportation problems.

The construction of transportation facilities further impacts on the environment through the disturbance of the ecosystem, the generation of air and noise pollution on adjacent areas, and the destruction of scenic resources and natural views. The aggregate effects of these impacts may also extend beyond transportation corridors and be felt at a regional level.

Housing planners and policy-makers should be conscious of these transportation impacts as they affect residential areas and the living environment. They should also explore ways to assure minimum social costs to affected interests; adequate compensation for required disruption and loss; and the

provision for all socioeconomic and special groups in the planning and construction of necessary facilities.

ISSUE 5. How does the transportation system affect the distribution of housing choice through its influences on the location of various land uses and site values?

The less direct impacts of transportation facilities and systems are similarly important to housing decision-makers. The construction of transportation facilities often has long-term, secondary impacts on adjacent communities and land areas, such as unplanned development of open space or high-density residential and commercial development which displaces vital social and community resources. The development of transportation facilities implies shifts in land use and demand through changes in relative accessibility and site values. Housing costs, type, and density responds to transportation development as linkages between various activities and land uses are established or improved. Increased accessibility influences the attraction of areas close to highway interchanges, transit stations, and certain corridors. It also influences changes in land use and intensity, directing these areas to higher density residential or commercial use. Land values are likely to increase around points of high accessibility, and may displace households unable to afford the higher residential costs accruing to accessibility.

ISSUE 6. How does an inequitable transportation system lead to inequities in residential location?

This issue is based on two considerations: First, as stated earlier, the transportation system links people with the activities they need to live their lives. Secondly, the Regional Housing Task Force should view the housing of people not only as shelter but as a location from which people must travel to engage in activities.

The question of equity in the total range of activities accessible by travel on the transportation system is especially relevant to the Regional Housing Task Force if one considers that housing is often used as a code word for the needs of the poor and minorities, especially Blacks. This approach leads one to say the poor or the Blacks are housed in a certain area which is served by the combination of auto and transit relatively better or worse than the rest of the Region. Therefore, if a new transportation program is proposed, one logically would inquire as to its relative impact on mobility and opportunities for these disadvantaged groups. This line of reasoning has been leveled at BART for some time and should be kept in mind by housing planners as new transportation proposals come forward.

Since the mobility requirements of various social groups differ, housing planners ought to evaluate the opportunities for interaction provided by the transportation system as they relate to the needs of specific groups. The transportation disadvantage of the poor and racial and ethnic minorities is most obvious. Their relative location, ability to pay, or level of car ownership place them low on the mobility ladder. Less conspicuous are the peculiar mobility requirements of different age groups, particularly the young and elderly, of the handicapped, and women. The emphasis on journey-to-work trips as a primary basis for estimating future residential location and transportation requirements significantly biases transportation systems to the work trip of the primary household wage-earner.

The implications of the foregoing to the Housing Task Force are several. First, housing planners can assist transportation planners in identifying travel behavior and mobility requirements of different social groups. Second, housing planners can participate in decisions affecting the type and level of service

provided to these social and economic groups by residential location. Further, they can guide housing and development in those areas where a proper balance of transportation service is available.

* * * * *

The issues discussed in this paper are by no means comprehensive, nor has their treatment been exhaustive. It is hoped, however, that some light has been shed on the connections and possible interfaces between housing and transportation. Given this perspective, the consideration of either must also relate to the broader context of regional planning concerns and priorities, including the social, economic, and environmental policies.

LOCAL HOUSING PLANNING ACTIVITIES IN THE
SAN FRANCISCO BAY AREA

A Paper Delivered for The
Seminar on Regional Housing Planning
Problems and Approaches

Prepared By the Members of the Housing-Technical Advisory Committee

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Element.

Local Housing Planning Activities in the
San Francisco Bay Region

The activities of local planning jurisdictions and the relation between those activities and the ABAG responsibility to develop a regional housing plan is the primary topic I'd like to discuss with you. In order to do that I'd like to break this discussion into four parts: (1) an explanation of the Housing-Technical Advisory Committee; (2) a brief description of county housing planning activities; (3) a brief description of activities in housing planning in selected cities in the Bay Area; and (4) a summary of the A-95 Project Review Notification System and the Monthly Housing Register

I THE HOUSING-TECHNICAL ADVISORY COMMITTEE

History and Membership

In the Fall of 1971 the Regional Planning Committee of the Association of Bay Area Governments, invited one member of every county planning staff and one member of the city planning staffs of San Jose, Oakland, Vallejo, Santa Rosa and Napa to participate in the Housing-Technical Advisory Committee. Two more members have been added by request of that original body: a planner from the Richmond Planning staff and myself from the City of Pittsburg. We also have participants from the San Francisco area office of HUD, the State Department on Housing and Community Development, local model cities programs, housing authorities and others. The intent is not to exclude any group but to operate a semi-open-ended group that is small enough to discuss and decide on technical positions relative to housing planning.

Current Projects

Local Planning Issues - One of the most productive aspects of H-TAC, in the short-term is the forum of ideas exchanged on local problems and apparent solutions. The discussion of local issues not only expands on the understanding of the broad aspects of providing housing, but it indicates methods that have been tried, failed and/or succeeded.

Technical and Policy Issues - Some aspects of housing involve technical determination (such as census analysis) and broad policy determinations (such as low-income impactation). The discussion of these issues at H-TAC starts the outline for the basic ingredients of a regional plan.

A-95 Review - This procedure clearly establishes ABAG as a third portion with HUD and the local agency in the Housing delivery system. The constant analysis of this important tool by H-TAC improves the opportunity for a working local-regional-federal partnership.

Housing Model - A specific link in the Housing System chain is understanding what housing is. The beginning of the creation of a Housing Model, by H-TAC, is necessary to insure a realistic regional housing plan. The reflection of local housing needs, demands, and definitions in a regional model is a constant evolution of the H-TAC forum.

The Role of H-TAC

H-TAC is a sounding board for regional housing from the technical staff viewpoint. It is tuned in to the implementation of local housing policy and the formation of federal, state, regional and local policy. H-TAC consequently complements the ABAG staff by joining experiences and perspectives of a broad category of local staff involved in housing systems. It should also complement the ABAG Housing Task Force by adding a dimension to the understanding of the complex picture of housing delivery.

H-TAC then, as a composite individual view, adds to the other individuals on the Task Force seeking the specific answers to the broad question of housing.

II COUNTY HOUSING PLANNING/ACTIVITIES

With that brief review behind us, let us turn to a review of housing planning activities in local jurisdictions. We will cover the counties of Marin, San Mateo and Santa Clara; and the cities of Oakland, Pittsburg, Richmond, San Francisco and San Jose.

Marin County

The primary housing problems in Marin County are high undeveloped land cost, high development costs, and escalating resale prices. Marin County does not have major concentrations of deteriorated housing, or abandoned housing. Persons who have difficulty competing for housing in Marin are low-income individuals, low-income families, middle-income families with children, middle-income families with only one wage earner, and elderly persons. Only 2.4% of the residents of Marin County are black and half live in Marin City which is less concentrated than in 1960.

Several published documents define the housing problem in Marin. The evidence in these documents is used to justify steps to remedy the problems. In 1969 public attention was called to the declining availability of moderate-cost housing by the League of Women Voters in a booklet entitled "A City Named Elsewhere". This was followed by Planning Department publications, "Enough for Everyone", and "Don't Leave It to Elsewhere". The Board of Supervisors adopted a Marin County Housing Policy in May 1971 and the housing policy will be a section of the 1972 Countywide general plan. The City-County Planning Commission continues

to actively work with the cities on the local enforcement and adoption of similar development policies.

In an effort to provide more low and middle-income housing Marin County has relied upon the Housing Authority, encouraged the development of the Ecumenical Housing Association which spins off non-profit sponsors, and initiated an innovative land development policy. Any large developer who applies for a PRD (planned residential district zoning) is actively encouraged to provide 20% of the units for low and moderate-income families. The incentive to the developer is being allowed to cluster on the flatter portions of the land and saving the steeper, more expensive to develop hillsides and a chance for an overall density bonus. Land for 20% of the units has been reserved for low and moderate units in all but one large development since 1969. One problem with this policy is that the Ecumenical Association non-profit sponsor groups have been delayed in exercising the option on the land obtained by the Planning Commission policy described above, due to delays in 236 and Operation Breakthrough funding.

The policy of requiring all PRD developments to have 20% of the units for low and moderate-income families is currently being reviewed by the Housing Technical Advisory Subcommittee of the Marin County Planning Commission. The committee is composed of planning commissioners, city and county planners, developers, financiers, architects and the non-profit housing sponsor. Initial recommendations of the Committee are to change the 20% requirement into a bonus system. Development regulations are also to be reevaluated in light of their effect upon development costs while maintaining minimum standards. The recommended formula

for density bonuses is one additional unit for each moderate priced unit and two additional units for each low priced unit. The density bonus is available either with or without a federally subsidized housing program. If moderate priced units are built without a governmental subsidy the development will be eligible for a density bonus if an agreement is worked out making the moderate priced units available to moderate income families. The Ecumenical Limited Dividend Corporation is the group that would negotiate this agreement.

The Housing and Social Planning Committee of the City-County Planning Council is the body responsible for coordinating housing policy and actions within the county. They are currently reviewing an allocation model which shows that substantial action is needed to avoid the market trend of ever less low and middle priced housing and ever more high priced housing. The current policy of requiring 20% of new developments to be available to low and middle-income families will have only a marginal effect on these market forces. More effective housing policies are currently under consideration.

County of San Mateo

In the County of San Mateo initial housing elements have been completed for eight communities: So. San Francisco, San Mateo, San Bruno, Belmont, Pacifica, Woodside, Portola Valley and Half Moon Bay. The County's initial housing element was approved by the County Regional Planning Committee and was heard for the first time by the County Planning Commission last week (June 28, 1972).

This element indicates that high housing costs have contributed to housing problems. The 1968 median family income was \$10,375, but 15% of the county households earned less than \$6,000. This leads to a

deficit of 9,000 units affordable by those households at or below the \$6,000 level.

Several cities in the county have demonstrated some capability and willingness to address these needs. So. San Francisco has passed a referendum at the last election for 50 units of low-income family housing. This will bring the total units under that authority to 90. There is also a 184-unit FHA 236 project for the elderly in So. San Francisco. The City of San Mateo is finishing its Community Renewal Program studies. The Program is designed to assess the City's needs for renewal and to develop a staged program of action to meet such needs. Redwood City has employed a housing specialist in the Department of City Planning. The City has recently completed a background report on housing characteristics, conditions and problems in Redwood City and programs which the city and developer may utilize in meeting local housing needs. There are also 36 existing units of turnkey housing for the elderly in Redwood City and 136 units of 236 housing for the elderly nearing completion. There is a Neighborhood Development Program in East Palo Alto consisting of 250 acres. Work on the first project is underway. Structural, social and economic surveys are underway. Finally, the City of Belmont has a 236 moderate-income project of 164 units for the elderly.

Concurrent with these actions are the activities of the County Housing Authority. They have committed an allocation of 150 permanent conventional public housing units to the Midway Village Temporary Project Site in Daly City. Midway Village is a 436-unit temporary housing project managed by the County Housing Authority for low-income families of U.S. Navy personnel. The entire project is to be demolished and demolition will begin shortly after the new 150 units are completed.

In addition the County Housing Authority has an authorization for management of 850 units of leased housing for low income households, location unspecified.

In response to a need to maintain the housing stock the County has hired two housing inspectors in the Department of Building Inspection to implement a systematic comprehensive code enforcement program.

Finally, the County Board of Supervisors will review its Workable Program for Community Improvement in the very near future. The Workable Program submitted to the Board by the County Committee for Community Development has been referred to the County Manager's office for study. The Workable Program proposes a number of innovative housing measures including a land bank, a revolving fund for specified housing repairs and a new Department of Housing Affairs. The program has not yet been adopted.

Santa Clara County

The essential housing problems in this county are similar to problems faced by other counties:

1) Economic Problems:

The economic problems in climbing levels of income necessary for entry in the housing market, rapidly appreciating values for existing houses, greatly increasing costs of new housing and rising rental rates;

2) Social Problems:

There was a total of 40,000 households living under conditions of poverty and there is a high relationship between poor and minority. 30% of the Mexican-American households were found to be overcrowded, compared to 6% of non-Mexican-American white households.

In 1971 the Planning Policy Committee of Santa Clara County adopted its Joint Housing Element which contains a number of sound goals and policies.

In the meantime, the cities of Los Altos Hills, Sunnyvale, Mountain View, Morgan Hill and Palo Alto have adopted elements and San Jose, Cupertino and Milpitas have elements in process.

Two specific implementation activities growing out of the joint element are first, the private, non-profit Housing Development Corporation and revolving loan fund. These are to serve the residents of metropolitan San Jose. This proposal is presently under consideration. The second is a private non-profit Housing Center for Santa Clara County to act as a catalytic agent for programs dealing with social aspects of housing; specifically to promote fair housing, resolve tenant-landlord problems, provide legal services, promote specialization in legal aspects of housing, assist groups providing housing services and conduct and promote programs of information and housing education. This proposal has the support of the local OEO, and such groups as La Raza and the Urban Coalition. It has been submitted for funding to the OEO.

Another aspect of the housing planning activity in Santa Clara County which is especially significant for us is the development of the Proposed Production Objectives for Assisted Housing.

In Santa Clara County, as in most urban areas throughout the United States, federally assisted housing has typically been constructed in a few concentrated areas. This pattern of development generally either tends to reinforce existing concentrations of low income and minority families, or to create new, limited income neighborhoods which are isolated from more affluent residential areas. The Planning Policy Committee of Santa Clara County and its Advisory Committee on Housing are currently exploring ways to overcome these tendencies and have developed a formula for allocating assisted housing in a more dispersed

economically balanced distribution among the various cities. The formula assigns to each city a percentage of the total amount of assisted housing authorized by the federal Department of Housing and Urban Development. This percentage allocation is based on comparisons among the cities of their relative ability to assimilate assisted housing. Factors used in this comparison were fiscal capability, the amount of school capacity in excess of current demand, the amount of vacant residential land, the degree of socioeconomic mix, city size, and growth potential. Although the countywide need for assisted housing has been calculated no specific annual target figure for production has been set, since the number of assisted units available from HUD varies from year to year.

Implementation of the fair share distribution of assisted housing will depend very greatly on the support of each city in encouraging and directing the efforts of housing sponsors. Cities can aid low and moderate income housing development through a variety of land cost reduction techniques, including the granting of density bonuses to developers who mix subsidized and nonsubsidized units. Cities can also exercise considerable leadership in securing compliance with HUD's "affirmative marketing" guidelines, which prohibit discrimination in the sale or rental of HUD-assisted and insured housing. Also at the local level, housing development corporations are becoming important as sponsors and technical advisors in assisted housing development. The ongoing public housing programs of the San Jose and the Santa Clara County Housing Authorities are also important elements of this countywide effort to improve the distribution of federally assisted housing.

Because the proposed distribution program deals with a highly dynamic problem, it will be reviewed yearly, both to update the basic information and to review progress in the light of experience. New or modified criteria may be incorporated into the distribution formula as they become available, adding to or replacing the percent criteria as experience dictates. In this way, every effort will be made to keep the distribution concept responsive to changing needs and conditions throughout the County.

Proposed Production Objectives Criteria

1. Share of County population. This is expressed as a city's percentage of the County's 1970 population and is a measure of the size of the cities relative to each other. It assumes that the larger the city's size, the greater the share of assisted housing it can accommodate. This assumption is balanced in the formula by other criteria which consider socioeconomic composition and public resources.
2. Relative school capacity. This criterion provides a readily comparable indication of a city's ability to provide services to assisted housing without suffering serious fiscal disruption. It is based on the number of available classroom seats in each city, shown as a percent of the County total of available seats.
3. Relative fiscal capacity. The assessed real property valuation per capacity in each city is multiplied by that city's proportion of total assessed valuation in the County. When expressed as a percent of the County total, this provides a measure of the relative ability of each city to raise revenues that is reflective of both the city's size and wealth.
4. Share of low and moderate income households. This measure weights each city's assisted housing allocation by a factor which expresses the difference between the present low and moderate income population of

the city and that which would be expected to reside there based on the total number of such families living in the County. This weighting would help increase the supply of assisted housing in areas that are currently deficient in lower cost housing.

5. Share of minority residents. This measure weights each city's allocation of assisted housing by a factor which expresses the difference between the city's present minority population and the number of minority residents who would be expected to live in a city of that size based on countywide population characteristics.

6. The number of dwelling units authorized by building permits in 1970-71, by city. This criterion provides a measure of the growth potential of the cities, and each city's total is expressed as a percentage of total activity in the County. The areas with the greatest recent and current residential building activity are judged to be most capable of absorbing new assisted units.

FAIR HOUSING IN SANTA CLARA COUNTY

Summary of Recommendations Adopted by Housing Advisory Committee, 5-11-72.
(Recommendations to County and member Cities)

1. Establish a non-profit Housing Center to:
 - a. receive complaints on alleged housing discrimination under the Unruh and Rumford Acts, the U.S. Civil Rights Act of 1866 and Title VIII of the 1968 Civil Rights Act;
 - b. coordinate activities of private fair housing organizations;
 - c. act as rental referral service for members of groups which have been subject to a regular pattern of discrimination;
 - d. educate realtors, developers, apartment managers, and lenders;
 - e. perform market analysis and public education functions.
2. Adopt an Apartment Complex Licensing Act.

3. Advocate and support changes in the Rumford Act to:
 - a. require an FEPC office in every county with over 200,000 population;
 - b. extend provisions of Rumford Act to cover duplexes, and, if warranted, mobile home parks;
 - c. encourage strict enforcement of penalties for violating Rumford and Unruh Acts.
4. Use County influence to end discriminatory lending practices.
5. Advocate the revision of real estate broker and salesman licensing to require working knowledge of fair housing laws.
6. Examine zoning and planning policies to determine means of allowing greater opportunity for minorities.

SUMMARY: SITE SELECTION STANDARDS FOR FEDERALLY ASSISTED HOUSING IN
SANTA CLARA COUNTY

The following standards are being proposed as a guide to the distribution of federally assisted housing within the various cities of Santa Clara County. These standards will be applied to all such housing allocated to a city under the proposed "production objectives" currently under consideration by the Housing Advisory Committee of the Planning Policy Committee. The HUD Project Selection Criteria, defined in terms of local conditions, form the basis for these standards.

1. Concentration of assisted housing
 - A. No assisted multifamily development shall contain more than 200 units on a site.
 - B. A maximum of 30% of the units of subdivisions of 50 or more units may be subsidized. Greater percentages are permitted in small subdivisions, a 10-unit project may be 100% subsidized.

- C. Assisted housing shall not exceed 20% of the housing stock in any census tract.

II Standards for use with HUD project criteria

- A. Determination of need for assisted housing in each city should recognize countywide agreements for distribution.

- B. Minority Housing Opportunities

The location of assisted housing should avoid areas of minority impaction. Minority impaction is defined as:

1. Any Census Tract with 30% or more minority residents.
2. Any Census Tract that exceeds the citywide percent of minority residents by 150% or more.

- C. Improved location for lower income families

Assisted housing should not contribute to the impaction of areas with low income residents. Low income impaction is defined as:

1. Any Census Tract in which 30% or more of the households qualify for public housing.
2. Any Census Tract that exceeds by 150% the citywide average of units valued at less than \$20,000 or renting for less than \$150/month.

- D. Relationship to orderly growth should be based on local housing elements and on the countywide assisted housing distribution plan.

Projects will be given superior, adequate, or poor ratings according to the standards summarized above. Waivers of ratings may be sought in instances where they conflict with a special public program such as Model Cities or renewal. Implementation of these standards will be aided by mapping impacted areas.

III CITY HOUSING PLANNING/ACTIVITIES

Let us now turn to the cities.

City of Oakland

By 1971 the City of Oakland had completed a large 701 planning program which culminated in the report entitled Options for Oakland. Many areas of planning were covered, including Oakland's housing situation. Two broad goals were approved which spoke to Oakland's desire to achieve the character of a middle income community and to secure for every Oakland family the opportunity to live in a sound housing unit large enough to accommodate its members without artificial constraints on the freedom of choice.

Active citizen input in refining these goals was and is provided by OCCUR, Oakland Concerned Citizens for Urban Renewal, as the citizen sign-off group for items in urban renewal and the workable program.

Like most large cities, Oakland has an active housing authority which manages over 2500 units and a redevelopment agency under which rehabilitation and non-profit housing sponsorship have occurred. Within the Model Cities program there is a housing development corporation and, of course, the City systematically applies a code enforcement program.

In addition to these existing mechanisms, the City is pursuing new ones. In the first place, Oakland has been designated an Annual Arrangements City by the Department of Housing and Urban Development. This will enable Oakland to set up a Housing Information System to regulate the development of new housing in Oakland. Accordingly, Oakland is developing and forwarding to HUD a procedure for selecting developers for all new HUD assisted and unassisted housing. A publicly-assisted housing distribution study is also underway by the Planning

Department to develop the guidelines for implementing a goal of the Options report to distribute housing choice throughout the City. The Planning staff is also preparing an official housing element, drawing heavily upon the Options report and updating it as needed, based upon current information. A system is being developed for handling a city-wide relocation plan and a designation will be made as to what agency will handle that.

Two needs have been generated as a result of Oakland's many federal programs and its housing need: one need is to coordinate the many federal, state, etc., programs which affect Oakland and the other need is to coordinate housing activity and responsibility. To address the first need, a study is being conducted in the City Manager's office which will examine the possible functions and responsibilities of an Assistant to the City Manager for Community Development. This office will be considered for its ability to manage the many programs originated outside of Oakland but which critically affect Oakland's everyday business. The study will determine the responsibilities of such a position, determine the relationship between such an office and Model Cities, Redevelopment, etc.; determine the relationship between such an office and citizen groups; and, finally, determine the relationship between such an office and other branches of Oakland's city government. In response to the second need, another study is being conducted under the City Manager's office to determine the responsibilities of a Housing Office in terms of such issues as fair housing, relocation, rehabilitation and information dissemination. Again, the basic question of that office's relationship to both the community and other agencies of city government in Oakland will be addressed in that study. The majority of the work reviewed in this brief discussion should begin to show completion in the Spring of 1973.

City of Pittsburg

The Housing Present and Future in Pittsburg

A quick look at the 1970 census data gives a graphic illustration of the situation in Pittsburg today:

Total Housing Units	7,980
Number of Units Substandard to a Degree	4,213
% of Units Substandard	52.8%
% of Units in Pittsburg worth less than \$20,000	73%
% of Units in Contra Costa County worth less than \$20,000	29%
% of Units in ABAG planning area worth less than \$20,000	21%

Of course these figures are generally reflective of the economic situation in Pittsburg where 70% earn less than ten-thousand dollars (\$10,000), medium income is about eight-thousand, eight-hundred dollars (\$8,800), unemployment is about 15% and around 35% of the population is on welfare. In Contra Costa County the medium income is over thirteen-thousand dollars (\$13,000).

Clearly the magnitude of these problems is beyond the scope and capabilities of the City of Pittsburg. It might help to understand why when you consider the assessed valuation of the city is thirty-million dollars (\$30,000,000) and the adjacent industrial area is valued at about two-hundred, seventy-million dollars (\$270,000,000). The P.G.&E. plant, next to our downtown, alone is worth around forty-five million dollars (\$45,000,000).

Bad housing is just the effect of a series of social-economic problems. The cause, in an affluent, middle class county such as Contra Costa, is a combination of racism, bad planning and complacency on the part of the professional and political leaders of the entire county.

Until earlier this year, Pittsburg was still considered a great place to concentrate low-income and minority housing from throughout the Bay Area. The fact that the residents of Pittsburg were not able to move up to these units, was not considered. When the city was able to determine the effect of this impaction they requested ABAG to impose a moratorium on subsidized housing in Pittsburg until a housing policy and management system was developed.

Pittsburg is an important laboratory for social planning because in the newly developed areas racial and economic integration exists. Within each census tract, south of the freeway a range of housing costs exists, and within each new subdivision, racial integration exists. The result is that the city has put an emphasis on increasing the economic health of the city, to allow our people an opportunity to participate in the housing market anywhere in the city.

With a coordinated program of leased housing, substandard unit rehabilitation or demolition, the provision of new low and moderate income units in new subdivisions, and the dispersal of low and moderate income units throughout the community and the county, the city feels that proper economic growth, commercial expansion, manpower opportunities and total environmental health will follow.

The city is now cooperating with the ABAG staff to develop a housing plan and management system that generates a local solution within the regional context. The work of the Housing Technical Advisory Committee, and the Regional Housing Task Force are critical to solving Pittsburg's problems. We are not saying that housing must "eat the whole thing", but we are saying that coordinated local and regional plan will allow Pittsburg an opportunity to create a balanced growth plan and provide the services required for a healthy community.

City of Richmond

Richmond's housing planning has been largely shaped by the City's relationship with HUD. HUD financing has backed the Home and Neighborhood Improvement Center as part of the Model Cities Program, the Redevelopment Agency which has marketed land for several successful residential renewal projects, and the Richmond Housing Authority which has provided both leased and conventional public housing. Recently the City and HUD completed an Annual Arrangement agreement, which consolidated applications for housing and other Community Development programs, and gave both the City and HUD the opportunity to consider them concurrently in the planning process. The agreement included an allocation of a certain number of single family and multi-family mortgage assistance units to the City and also granted the City Manager the right to review proposals for mortgage assisted housing before further HUD processing. These housing reviews are made with the assistance of citizen advisory committees including neighborhood representatives. A further aspect of Annual Arrangement was funding of a community development organizational study which among other tasks, was to look at consolidation of many of the housing functions administered by the independent agencies, which under recent changes in California law have now been taken over by the City Council and made responsible to the City Manager. A realignment of community development activities into a functional organization structure is currently under consideration with implementation scheduled for the fiscal year 1973.

City of San Francisco

In 1971 the San Francisco City Planning Commission adopted the housing element of the Comprehensive Plan and forwarded a number of programs to carry out the plan to the Mayor and the Board of Supervisors for further public debate and implementation. The plan policies stressed maintaining existing neighborhoods, building new housing on nonresidential land, expanding the supply of housing for low- and moderate-income families, and distributing low- and moderate-income housing throughout the entire city and the Bay Area.

Since adoption of the plan, the Department of City Planning has encountered a pervasive planning problem. While the policies themselves are still valid, implementation of the programs has been difficult. Distributing low- and moderate-income housing throughout San Francisco has run into two roadblocks. The first is not so much a result of neighborhood opposition to low-income housing, but a product of HUD's unwillingness to fund the housing necessary to accomplish a more equitable distribution. For example, there has been no assurance that HUD funds will be available if the Department convinces a private developer to devote a certain percentage of units to moderate-income housing, and HUD turned down a very well-conceived Housing Authority plan to build townhouses and garden apartments in a number of areas outside San Francisco's minority neighborhoods. HUD claimed there was no money available. The second roadblock is caused by communities such as the Western Addition and the Mission which already have a good part of the City's low- and moderate-income housing but need much more. These communities resist allocation of scarce Federal funds to lower-need

neighborhoods in order to achieve a more equitable housing distribution. In short, inadequate HUD funding and high-need areas' resistance to sharing scarce funds is the most serious restraint to achieving a better distribution of federally assisted housing in San Francisco. It can be expected that this problem will occur at the regional level as well. The Department's strategy for neighborhood maintenance has also changed over the year. Originally, it was thought that the redevelopment program could be gradually shifted over the next few years to rehabilitation rather than clearance and rebuilding. FACE was also seen as playing a much more extensive role in maintaining San Francisco's neighborhoods. While shifting the focus of redevelopment remains the long-term policy of the Department, the time and money that it will take to complete ongoing redevelopment programs precludes this option for at least five years. The recent Federal disenchantment with all rehabilitation programs -- including FACE -- has also been a blow to San Francisco. While the Department is lobbying to increase FACE funding, over the short run it is required to pursue the following two-part strategy:

First, in existing residential neighborhoods emphasis will be placed on code enforcement programs modeled after FACE, low-interest rehabilitation loans and tax incentives to maintain neighborhoods. At this time new redevelopment projects aimed at rehabilitation will not be undertaken. And because of the shortage of FACE funds, the Department is working with private lending institutions to see if a loan pool can be developed to finance home improvements at reasonable market rates in a number of neighborhoods. In addition to improving financing, the Department is working to eliminate insurance redlining practices. It is also trying

to get some smaller apartment buildings and flats converted into cooperatives and condominiums with the idea that some small changes in ownership patterns will help upgrade neighborhood maintenance.

Second, in certain nonresidential areas the Department is encouraging conversion of underdeveloped nonresidential or vacant land to new housing. Because of HUD's restrictions on funding housing in nonresidential areas, however, the Department is now focussing on smaller developments on the fringe of residential areas or on filling in existing residential areas rather than proposing more ambitious, multiple-use developments covering rather large sites.

In general, these are the problems the Department faces one year after the plan's adoption. Some progress has been made, but it is not nearly what is needed. Yet, having experienced these problems, it is doubtful if the Department would do the plan differently a year later. It wouldn't want to modify the policies to conform with the present situation. The Department believes the plan should be a tool for bringing about badly needed change and that it can't simply be a servant to current fiscal realities and Federal program guidelines.

Some progress has been made. The Board of Supervisors, the Planning Commission and, most importantly, citizen organizations are starting to apply the plan's policies. HUD is also using the plan in its evaluation of the City's ongoing housing programs and applications for new funds. The plan will serve as the basis for the City's housing priorities in the annual arrangement and as the foundation for the housing component of the annual community development program which the City intends to draft in response to whatever form of block grant funding that the Federal government launches.

City of San Jose

The City of San Jose has been requested by HUD to prepare its own housing element as a requirement for Workable Program recertification. The City is also a participant in the Joint Cities-County Housing Element Program. This is a summary of the Phase I, May 19, 1972 document "Housing Element of the General Plan".

The Housing Element Task Force, formed by the City Manager to respond to this requirement, has developed a format for the housing element and has completed or made substantial progress on a number of sections of the element. A goals statement has been completed, and a set of fifteen housing policies has been compiled, based on recommendations of the Task Force, the Planning Policy Committee of Santa Clara County, and a consultant study. Nine of these policies have been adopted by the City Council. The policies include encouraging variety and mix in housing types for persons of all income levels, influencing the location of assisted and nonassisted housing and encouraging economic mix within individual developments, employing housing location and mix to achieve school integration, and combatting housing discrimination. Also, the City Council will seek support of public housing referendum and will require periodic review of the public housing program. Other policies call for use of eminent domain to acquire sites for lower cost housing and for concerted housing replacement and relocation practices. Codes and development controls are to be reviewed and updated periodically, and housing planning, administration and services are to be carefully coordinated among agencies.

The Task Force has also completed two of the series of implementing systems which will include controls, incentives, programs and information systems for monitoring the entire program. One of these is a

review system for carrying out Model Cities Planned Variation Program reviews of federally assisted and insured housing, to be coordinated by the City Department of Intergovernmental Affairs. The other system developed to date is a density bonus provision for developers who include an economic mix in their projects. The Housing Element will also contain a system for evaluating planning units for their ability to accommodate assisted housing. This system is still in the development stage.

The Phase I Housing element, consisting of the materials discussed above, is being submitted in its present form to meet the Workable Program deadline. No precise date is set for completion of the entire element.

Summary: Kaiser Engineers "Low-Income Housing for the City of San Jose"
(April 1972)

The need for subsidized housing in San Jose, the most appropriate distribution of that housing, and recommendations for implementing the provision and maintenance of assisted housing are the subjects of a report prepared for the City of San Jose and its Housing Element Task Force by Kaiser Engineers. The report includes a Low-Income Housing Master Plan which makes policy and program recommendations, develops a method for distributing assisted units by school districts, discusses implementation techniques and provides special study of the needs of the elderly, with recommendations for the most suitable location for elderly housing.

The housing problems identified in the report are an inadequate supply of lower cost housing, concentration of lower-cost housing in certain areas, constraints on upward mobility related to housing and home

maintenance, and the existence of overcrowded and substandard housing conditions. To meet the needs for assisted housing within the staged development concept recommended in the report, 2,350 units should be provided during 1972-1974, with slight increases in the succeeding two-year time periods, resulting in a total production of 10,380 units for 1972-1980. Each school district planning unit is assigned a number and mix of assisted housing that is based on an evaluation of existing population, housing, elementary school, and racial and ethnic mix characteristics, with consideration also given to existing subsidized housing.

The report's policy, program and implementation recommendations include the following:

- ..A policy of scattering or dispersing assisted housing throughout the city, along the lines recommended in the Housing Master Plan.
- ..The use of school districts as the planning unit for housing distribution.
- ..An upward-mobility program to be carried out by the San Jose Housing Authority. This project would move families through successively demanding stages of home management responsibility, with appropriate training and counseling.
- ..Creation of a revolving municipal housing fund, to advance seed money to non-profit housing developers, make special purpose loans, provide mortgage insurance, and assist small scale redevelopment and rehabilitation.
- ..Continued emphasis of Section 23 leased housing as the major source of public housing units.
- ..The implementation of the assisted housing development program by stages, to create an ongoing process and to permit periodic re-examination of targets.

The report recommends that all federal housing subsidy programs be utilized, noting the particular advantages of the rent supplement program, Turnkey III, Section 23 leasing, and the Family Allowance Program for achieving some of the distribution upward mobility objectives of the San Jose housing program. Finally, a number of recommendations are made for improving the internal organization and project management of the Housing Authority, with the further suggestion that the Housing Authority provide management services to Section 235 and 236 projects.

IV THE A-95 PROJECT NOTIFICATION AND REVIEW SYSTEM

The A-95 Project Notification and Review System is one of the most potent tools now available to citizens and to regional and local agencies for effecting the type, quality and location of new housing. Even though A-95 is only applicable to Federally-assisted housing (representing less than 25% of the units in the Bay Area), the criteria used to evaluate proposals for Federally-aided housing and the procedures being developed for improving coordination between governmental agencies may ultimately effect the processes involved in the planning and development of all housing, regardless of financing source. Since April, 1971, when Circular A-95 of the Office of Management and Budget was revised to expand coverage to 101 different Federal aid programs, applications to the FHA for 24 of the most important Federal housing programs, including the ubiquitous Section 203b mortgage-insurance plan for single family homes, have been eligible for A-95 review.

As the official metropolitan clearinghouse for the nine-county Bay Area, the Association of Bay Area Governments receives copies of the

initial applications for subdivisions of 50 or more lots and multi-family projects of 100 or more dwelling units that have been submitted to HUD for feasibility approval. ABAG's role as a clearinghouse is two-fold:

1. Notifying local, county and regional agencies of applications so that they may determine consistency with their own plans; and,
2. Reviewing applications to determine their consistency with planning objectives for the entire Bay Area.

In order to fulfill the former responsibility the ABAG Project Review staff has devised a Housing Register for each of the nine counties that lists, by city, the applications received and provides basic information about the location and characteristics of each proposal and its status in the HUD processing stream. At present, the Register is distributed to planning directors, city administrators and members of the Housing Technical Advisory Committee. At the same time, the Project Review staff evaluates applications in light of regional planning objectives that have been agreed upon by the Association's members.

Of increasing importance is the role of the review required by the National Environmental Policy Act of 1969 to determine the potential for adverse impact on the environment generated by any development seeking Federal assistance. In addition to the concerns traditionally associated with the ecology movement - air and water pollution and despoliation of the natural landscape - the environmental review is supposed to consider the proposal's impact on the total human environment. Overcrowded schools, changes in neighborhood character and

inadequate utility or sewer systems must all be addressed according to guidelines issued by HUD last fall.

The environmental data sheets submitted to HUD by developers are also transmitted to ABAG and passed on to local agencies. Objections and problems raised by the clearinghouse, governmental agencies and individual citizens must all be examined by HUD during the environmental review that has to take place before an application can be approved.

Despite its recognized potential, the A-95 system, because of its relative newness, is not without problems. Too often those who may have information that should be considered by HUD do not receive the Register and may not even be aware of their right to comment. Within individual planning agencies, those who handle subdivision applications and zoning permits often have little contact with the so-called "Advanced Planners", who deal with plans for long-range growth and development and prepare each locality's Housing Element. The fact that several municipalities may be served by a single water, sewage or school district compounds the problem of determining the adequacy of public utilities and facilities to service new development.

While A-95 provides one means of implementing the plans and programs that will emanate from the Regional Housing Task Force, the work of the Task Force will, more importantly, provide the kind of regional criteria for housing review that are needed if A-95 is to achieve its full potential. This relationship should be kept in mind as the Task Force commences its work and throughout the course of its activity.

LAND USE PATTERNS IN THE BAY AREA

A Position Paper Prepared For
The Regional Housing Task Force
Association of Bay Area Governments

by

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Introduction

The importance of land as a building block in creating a Regional Housing plan depends on the viewpoint. As will be discussed, vacant land in itself, contrary to many dire evaluations, is not a particularly scarce commodity. Generally, land availability is not likely to prove a major impediment to expansion of the housing supply. Yet, control of its use is the key to any successfully implemented planning process. Seldin states it well: "Managing land use is . . . the critical step in improving the process of achieving community objectives by guiding market forces."¹

In considering the subject, it is necessary then to first define our frame of reference. We can address ourselves to the availability and characteristics of information on the subject. The more interesting and, perhaps in the long run, more significant aspect, is the availability of management methods and the propriety of their employment to impose the "public interest" on the development process. It should be added that these two areas of concern are not mutually exclusive. In this paper I touch on some important facets of both of these aspects.

The overall topic of residential land use and the availability of land for residential development intrudes on a number of important related topics. Land use development patterns are heavily influenced by transportation patterns and development. Growth of industry, its types and location,



has a circular relationship with residential development. In the aggregate, industry follows labor supply while in the micro regional experience employees seek housing near newly established industries. Land demand for open space and recreation, also in part a circular relationship, has effect on land supply for residential and other uses. Public intervention in terms of building and zoning ordinances and other direct development controls must be considered in the supply equation.

The state of the arts in construction, particularly as it relates to earth handling and waste disposal, is very significant in measuring supply.

The attitudes of mortgage lenders about construction and design concepts, borrower and locational characteristics, have had a strong impact on land demand. The availability of mortgage money is one of the single greatest factors on the demand side, if not the greatest. However, this takes us away from the topic of land availability and use to that of housing supply and demand which, while related, is a separate subject and one which cannot be covered in this brief review. These are the major overlapping territories of consideration but there are others.

In this paper I will cover briefly and in a very general way the history of land utilization in the San Francisco Bay Area, particularly in terms of supply and consumption to date. Secondly, I will review the basic factors outlined above that must be considered in any analysis of land availability as it relates to residential use and the development of a



regional housing plan. Some of the controls, existing or prospective, will be covered. Lastly, some of the data sources and needs will be discussed.

The academician will find this paper inadequate in terms of properly developed and referenced support. The time available for its preparation has not permitted researching detailed support for each premise drawn, nor were there resources available for a research program on this scale. Much of the historical information on total land use and availability has been drawn from well prepared and documented research efforts which have been referenced where appropriate. Premises and conclusions offered here without benefit of specific documentation must be taken for what they are, the opinions of the author. In those cases where they provide the basis for hypotheses which need further analysis, appropriate backup research should be undertaken.

A Brief Review of Land Use Development in the San Francisco Bay Region*

Most cities, particularly older ones, begin on a body of water, an ocean, bay, lake, or river. This results from the fact that at the time of their founding, waterways provided the best means of transportation, certainly in the movement of goods. San Francisco is an obvious example. Even before the gold rush, Boston shoe manufacturers were shipping shoes and other wares to the Bay Region and obtaining hides for the return trip.² Yerba Buena Cove provided a sheltered harbor for their ships,

*Denotes the nine-county area.



the first available mooring area inside the Gate. The natural inland waterway system of bays and rivers provided ideal access to the hinterlands. The story of the gold rush and its significance to the growth and development of early San Francisco is well known. The use of Yerba Buena Harbor for warehousing and transshipping fixed the center of early development in San Francisco, despite the availability of other harbors in the Bay Region as good or perhaps better.

The growth and development of the urbanized region generally followed the Bay shoreline directed largely by terrain, transportation, and of course, the location of economic and other activities; i. e. , the gold diggings, mission, military, agricultural, and so on. The chronology of the urbanization of the Bay Area and the causes of the growth pattern are set forth in a well documented and interesting article "Geography and Urban Evolution" by James E. Vance, Jr. , included in The San Francisco Bay Area a compilation of articles which offers much to the student of urban affairs and regional government in the Bay Region.³

It is apparent that reacting to changing transportation systems, the community passed through several defineable eras:

1. The water transportation period - 1830's to 1860's
2. The railroad era - 1860's to 1910's
3. The trolley era - 1870's to 1920's
4. The age of the automobile - 1920's to date



Each successive stage responded to particular needs and desires - industrial, commercial, and those of the individual - with need and innovation chasing one another's tails. With less dependance on the more restrictive forms of transportation that preceded it (rail and trolley over water; automobile and bus over rail), each era was characterized by changing land use patterns as the effective supply of land was rapidly enlarged. The general result was the lessening of land use density as the supply grew more rapidly than the population to be settled.

In the light of what we know today about urban geography, the pattern of urbanization was predictable. The climate along the ocean coastline is considerably less pleasant than that east of the coastal range, so little early growth took place west of this range (and this area has been the last to be developed with much of this land still in very low density use today). The unfriendly terrain that makes up much of the Bay Region forced growth along clearly delineated flat areas. The early pre-dominance of the mining industry emphasized the east-west transport axis over the north-south in the water transportation era (Venice of the West). But the earliest railroad construction was in the direction of San Jose, connecting two (or more) previously independent nodes of activity.



The advent of rail transportation (and the trolley era) shifted the gateway across the Bay and the East Bay made rapid strides vis-a-vis San Francisco and the Peninsula. However, major growth areas continued to be along the Bay shoreline or near thereto if for no other reason than that is where the accessible flat land was. As late as 1930 there were still few communities of any size in the contiguous urbanized area that were very far removed from the Bay. Some of the early settlements were north and west along the water route to the valley. Later development emphasized the southern portion of the urban growth ring. The automobile and truck lifted the bonds restricting access to interior areas that had constrained development even during the growth period of rail transportation. Man was set free to 1) decentralize his places of employment, and 2) live a considerable distance from his place of employment. As a result, fingers of recent growth have poked development out in such beachheads as the Orinda-Lafayette-Walnut Creek grouping to the east, Hayward-Pleasanton-Livermore in a southeasterly direction, and Campbell-Saratoga-Los Gatos southwesterly.

The breaking of the chains binding the Bay Area residents' choice of a place to live through development of inexpensive automobiles did not at first result in a proliferation of suburban development. Rapid dispersion did not come until the post-World War II period when the combination of FHA low down payment amortized financing, the GI Bill, increasing industrialization of building methods and the search for readily available cheap land in larger tracts greatly accelerated



residential construction mostly in suburban areas. In Santa Clara County for instance, urban use covered 33.4 square miles in 1939. By 1969 the urban area had increased to 186.9 square miles, a 460 percent increase in 30 years.⁴

Thus, the pattern of urban growth and land consumption evolved in a natural and logical way (logical notwithstanding the strong disagreement between various factions over the quality of life provided in the suburban sprawl).

Trends in Location of Industry in the Bay Region

If industry is a leader in terms of the direction of residential development, past patterns and resultant trends in industrial location are significant. The early beginnings of industry in San Francisco and the importance of Yerba Buena Cove have been discussed.⁵ San Francisco continued to remain the center of industrial activity as the city began to manufacture items for the mining industry. The manufacturing and wholesaling functions grew up along the Embarcadero, extending to south of Market.

The first major departure of industry from San Francisco took place as the gun powder factories sought safe, remote locations and found them in the valleys of northern Contra Costa County on San Pablo Bay. The same general impetus caused a smelter to move from the San Francisco



area around Fort Mason to the Contra Costa County shoreline. The ship building industry was somewhat more footloose than others and early relocated to Hunters Point and Oakland.

The development of agricultural machinery was initially near the fields in which the machinery was utilized. This prompted development of this industry in places like Los Gatos and East Bay communities. The heavy industry orientation of the San Pablo Bay Area was further fortified by the development in the early twentieth century of steel mills near Pittsburg and the development of government-owned industry on Mare Island and in Benicia in 1851 and 1854. The development of a sizeable wheat exporting industry in the period around 1880 resulted in the development of industry-oriented communities at points of rail-to-water transshipment. Such communities as Martinez, Port Costa, Vallejo, and Crocker started in this way. A number of these communities continued active even after the decline of exporting of wheat as what Vance calls "factory ports;" Crockett in the manufacture of sugar; Richmond, Oleum; and Martinez with the development of oil refineries.⁶ The development of the factory port also affected the South Bay Area.

As in the case of residential use, the advent of rail and highway transportation provided industry a larger set of locational criteria as it was freed from dependency on water transportation. Even so, much industrial development continued to be in San Francisco and in the



East Bay in the area from Oakland to Richmond. While there had been some industrial decentralization in prior years, World War II provided a major impetus to the spread of industry. The development of extensive research and development activity and the electronics industry in the post-war period accelerated the wide dispersion of industrial use. The heavy emphasis of growth in the south Bay Region forecast in the Corps of Engineers' "2020 Study"⁷ proved accurate, the Peninsula cities extending to San Jose being the first beneficiary. The movement of major automobile assembly plants by Ford and Chevrolet from Richmond and Oakland to Hayward and Milpitas highlights the movement of industry southward in the East Bay. A majority of the successful industrial parks are located south of Oakland on the east side of the Bay and south of San Francisco on the Peninsula side.

The recent business recession and the cash shortage experienced by most American companies slowed industrial development to a crawl in the 1970-71 period. The situation is currently more favorable for plant location and development and activity has increased during the past 12 months or so. I am of the opinion that the south Bay Area will continue to be favored by new industrial development. The rate of growth will not be as great as in the past, at least not for a number of years. Except for occasional very large installations such as an oil refinery or chocolate plant, the rate of dispersion will be down. While there will be no recentralization, the fanning out of industrial development



will not proceed beyond the present limits in any substantial amount. While basic industry will continue to develop and grow in the Bay Area, heavy industry, as such, will not. Foreign competition (which prompted the decision of Bethlehem Steel against construction of an integrated steel facility at Pinole Point), the under-utilization of much existing plant capacity, and the high cost of new construction and equipment vis-a-vis transportation costs, appear to rule out substantial development of heavy industry, at least in the foreseeable future.

Growth of Land Area in Urban Use

I have encountered only one study which sheds light on historic land absorption in the Bay Region. Authors Davis and Langlois have estimated the land mass of the Metropolitan Area (MA) in a given census year by arbitrarily adding to the MA, the land and population of those communities which met their criteria.⁸ Thus, they avoided the great leaps in area which would result from adding whole counties as the census enlarged the official area boundaries. Their general review of the growth pattern of the two factors is helpful:

"...territorial expansion of the Bay Area was very slow in the early years. Much of the population growth took place within San Francisco itself, of course, for much of the western portion of the City was almost unoccupied until well into the twentieth century. Between 1900 and 1910 a large increase in the territory of the MA occurred, principally as a result of the annexation of the City of Oakland of more than 30 square miles.



The small increase in territory in the following decade is probably - as was the case in San Francisco - a matter of growth taking place within Oakland itself. . . In the 1920's the rate of area growth for the MA was again what it had been in the decade before the annexation. The really significant change in territorial growth came in the 1940's and 1950's, when the flight to the suburbs was in full swing."

(Emphasis added.)

Table 1. Area, Population, and Population per Square Mile of the IPUR San Francisco Bay Metropolitan Area 1852-1960

<u>Year</u>	<u>Area (Square Miles)</u>	<u>Population (Thousands)</u>	<u>Population Per Square Mile</u>
1852	42	34.5	829 ^a
1860	42	56.8	1,352
1870	56	163.2	2,919
1880	56	274.3	4,907
1890	65	364.0	5,643
1900	83	450.7	5,417
1910	151	670.3	4,445
1920	165	881.2	5,334
1930	215	1266.7	5,883
1940	304	1375.3	4,528
1950	685	2153.3	3,145
1960	1,286	3216.7	2,501

^aAssuming 1860 boundaries.

Source: International Population and Urban Research.

The table above, taken from the Davis-Langlois Study, lists land area and population by decades for the decentennially delineated MA. A charting of these data indicates that the rate of population growth exceeded the rate of territorial growth from 1850 to 1900. Since 1900



the rate of growth of these factors has been similar. The map listed as item A in the Addenda shows the decade at which time Davis-Langlois added each community to the MA. This provides an interesting indication of the directions of growth at various time periods. It must be remembered that these dates do not necessarily coincide with the decade of the founding of the city. Some older communities were added to the MA at the time they were considered to have "joined" the MA (or the MA joined the town). The spread of urbanization around the Bay ring is clearly shown. A number of Marin County communities are among the early group, the heavy swing to the south Bay Area coming several decades later. The more recent movement of growth away from the Bay front is also evident.

Available Land and Future Requirements

Information on present and projected land use in the Bay Region is available from three comprehensive studies: The Bay Area Simulation Study (BASS)⁹; the Bay Area Transportation Commission Study (BATS)¹⁰; and the original project in the field, the Corps of Engineers so-called "2020 Study." (The San Francisco Bay Area, 1960-2020).¹¹ The Association of Bay Area Governments (ABAG) has utilized output from the BASS and BATS studies in developing estimates and projections included in their report, Regional Plan 1970-1990.¹² Selected data from these four sources is set forth in Table 2. Comparable data are not available in each instance but the overlap of information is sufficient



Table 2.

Selected Land Use and Population Data

		<u>ABAG²</u>	<u>BASS Med. Pop. Proj.</u>	<u>BASS Low Pop. Proj</u>	<u>BATS</u>	<u>Corps of Engineers</u>
Total land area of Bay Region	acres sq. mi.	4,500,000 7031.25			4,449,204 6951.9	4,453,120 6958
Useable land		1,500,000 ³ 2343.75			2,926,445 4572.6	2,325,120 3633
<u>1965 (1960 for Corps of Engineers)</u>						
Land use for urban purposes ¹		344,000 537.5	333,546 521.17			394,240 616
Residential land use		261,440 408.50	260,757 407.4		262,348 409.9	
Available for development		1,200,000 18750			1,179,219 1842.5	
<u>1990</u>						
Land use for urban purposes			862,843 1348.2	859,473 1342.9		828,800 1295
Residential land use			526,249 822.3	524,886 820.1	470,045 734.5	
Available for development					903,579 1411.8	1,496,320 2338
Population forecast		(6,900,000 (8,400,000	6,952,000	6,741,500	7,477,100	7,425,000
<u>2020</u>						
Land use for urban purposes			1,400,532 2188.3	1,335,094 2086.1		1,528,960 2389
Residential land use			789,939(56) 1234.3	760,390 1188.1		
Available for development						796,120 1243.7
Population forecast			10,030,700	9,047,057		14,410,000

¹Excluding public, recreation, agricultural, mining and construction.²Based in part on BASS and BATS projections.³Suitable for urban use.

to provide an indication of the relative positions of each report. Since these numbers are of the mind-boggling variety, the reader is spared a detailed narration of this information. The main import in this discussion is the availability of land for future residential development.

In terms of varying forecasts of land use density, natural population increase, job opportunities, and resultant in-migration (and perhaps now even out-migration - heaven forbid), several of the building blocks for forecasting land absorption, you can pay your money and take your choice. But, whichever forecast you like, apparently we will be a long way from gobbling up the last acre of available land, even by the year 2020. ABAG estimates that "in 1965, 344,000 acres had been developed for urban purposes; . . . 8 percent of the region's total land surface and 25 percent of the land with urbanizing potential, leaving 1.2 million acres available for urban development." The report concludes this consideration by stating:

"As of today, (July 30, 1970) there is little undeveloped land available along the inner Bay plain. A few exceptions can be found in the vicinity of Redwood Shores, north of San Jose, and around Milpitas and Fremont. . . . However, inland communities have sufficient available land to accommodate future urban growth well beyond the forecast incorporated in the 1970-1990 Plan."¹³

The Corps of Engineers estimates an available supply of land of 796,120 acres in the year 2020. BATS does not forecast to 2020, but indicates a remaining available supply in 1990 of 903,579 acres (versus 1,496,320 acres of land available in 1990 according to the Corps study.)



BASS does not appear to deal with total land supply, but applying their data to the 2020 Study total available land area of 2,325,120 acres, the residual left for urban use in 2020 would be 924,588 acres.

A less rosy picture appears if we accept the ABAG Regional Plan report statement that only 1.5 million acres of the total 4.5 million are "suitable for urban use." Comparing BASS projection of land needs in 2020 to this total would leave only 99,468 acres for further development. This is about 29 percent of the land that ABAG estimates was in urban use in 1965.

Factors Affecting the Land Supply

The delineation of suitable land as to land availability contained in ABAG's Regional Plan 1970:1990, assumes certain use priorities which are judgemental. Their report New Communities in the Bay Area, speaking of the availability of land in the Bay Region for new town development and the fact that land availability may not be as great as the vacant land area figures seem to indicate, points out that "... it must be noted that much of this unavailability is a matter of degree, of judgement, and of social values."¹⁴ Whether in fact this allocation will hold in the future is difficult to assess. Certainly, in the area of topographical restrictions in land development, no firm position is defensible either as to economic or aesthetic limitation. Without debating the present status of either, there is a strong probability of changes



in community attitudes one way or another and the capabilities of construction machinery and methods.

The area most susceptible to reversal in my opinion is that concerning agricultural land use in urban areas. To the degree that agriculturally used land is held as open space for open space's sake, it may continue in agriculture. Its retention in agricultural use for the sake of farm or dairy produce seems unlikely in the face of a growing need for land for people to live on and large surpluses of highly productive farm lands elsewhere in the state well within a half days' drive of the City.

Also bearing on the overall topic of "before long we're going to run out of room" is the finitude with which the nine-county Region is viewed throughout these analyses. The megalopolis concept has been too widely accepted to assume that the urbanized Bay Region will stop at the outer limits of the nine-county area. In addition to the nine-county area, the BASS model also considers a 12-county area including Sacramento, San Joaquin, Yolo, and Santa Cruz counties.¹⁵ While the enlargement of the study area was to facilitate "related waste disposal," the move illustrates the need for considering an area larger than the nine-county region when looking even 20 years into the future.

A more meaningful approach is that of Davis and Langlois: "Political units were added when their population seemed to be urban (in terms of the size, density, and economy of the place) and to be connected



with the central city or other parts of the MA" (rather than) "The standard approach to the growth of cities and metropolitan areas which has been to 'hold boundaries constant.' " ¹⁶ Davis and Langlois opted for an asymptotic growth pattern (gradually approaching but never reaching a specific upper limit). The limit they set (to be reached in the year 2000) is not directly related to legal boundaries and includes 7,663 square miles - 4,904,320 acres. This is about 9.5 percent more area than the 7,000 or so square miles making up the nine counties. They forecast a population for that year of 10,300,000 and a density of 1,134 persons per square mile.

The greatest single potential space stretcher is increasing density. After rising steadily from 1852 to 1890 and remaining about the same from 1890 to 1930 (except for 1900 to 1910, when Oakland jumped from 12.7 to 45.7 square miles), population per square mile dropped steadily from 1930 to 1960 (see Table 1). If density of use were to return to the level of 1930, the seven million or so people who will be living in the Bay Region in 1990 would occupy approximately 762,000 acres, about 50 percent over what the Regional Plan report indicates was so used in 1970. A return to this density is neither desirable nor likely. However, a trend toward more intense land utilization in residential development has begun with increased multifamily construction and the growing popularity of the townhouse concept. The principal reason is economy in per-unit land cost, but there are other significant reasons not



related to land cost. Many families have no desire to have a large yard and are pleased to have someone else maintain the open areas. At least changing density patterns is a factor that forecasters - particularly those gazing a long ways off - must reckon with.

The various forecasting models do give weight to demolition of older residences and in some cases changing uses. This is another factor in the land stretching process. Large land areas have become surplus for industrial, commercial, and institutional use and are generally available for reuse. Contrary zoning, environment, and lack of assemblage often hinder the conversion of these lands to desirable residential areas. Urban renewal was an attempt at a solution but with only modest results, considering the magnitude of the dollar and energy input. I think it is possible that 1) a growing need for more close-in land for residential development, and 2) the increasing demand to cleanse hopelessly fouled areas of older cities, will bring the resumption of massive federally financed clearance programs (hopefully benefitting from past experience) to remove obsolete use and platting.

Revenue sharing would appear a natural way for the federal government to stimulate necessary action in the central areas of larger, older cities. Any progress in this direction will affect the available land supply in quality as well as quantity. In the meantime, transition from higher to lower uses will continue to happen slowly but naturally with multifamily development the greatest beneficiary.



While land may be generally available for real estate development, it may not be located at a site that is satisfactory to the planners and developers. A prime example of this was alluded to earlier. Obsolete buildings and inappropriate uneconomic use makes land available for reuse, mostly in the core sections of older cities. In most instances, the location is undesirable from the standpoint of housing. The problem is made more difficult by the fact that land values in these areas have often risen to a point where conversion to lower uses is uneconomic. As long as there is ample land for expansion, development will follow the direction in which people wish to live in terms of desirability of environment and location. A scarcity of land may force development in other directions and the absorption of previously bypassed areas or those which are ready for renewal. San Francisco has experienced some development whose location results from this phenomenon, (new office buildings in the south of Market area is an example). Utilizing these less desirable sites offers an added challenge to the planner and designer. The rewards to the developer, mortgage lender, and others who accept the added risk of this type of development must be considerably greater than those normally expected in comparable real estate development.

The Planner/Forecaster's Dilemma

Present analytical assumptions are usually heavily colored by present thinking and evaluation of past trends. This is generally appropriate



since by and large this is all we have to build on. However, their lack of a well shined crystal ball to foretell changes in mores and technology have lead most forecasters down the failure path. The current scramble by various concerned agencies to realign population forecasts with the factual realities of (relatively) rapidly declining birth rates is an excellent example of the standard pitfalls which hazard the sooth-sayer's role.

Witnessing the current high-rise controversy in San Francisco and elsewhere, the urban economist is understandably tempted to rule out high-rise construction as a means for increasing land utilization. Likewise, he may view the effect of the recently passed "no-growth" initiatives in Livermore and Pleasanton as immediately decreasing density potential or "holding capacity" of rapidly growing suburban communities. The "save our environment" efforts, particularly as they relate to open space, have a very significant effect on the available land supply.

There is no purpose here to comment on the value or validity of any of these positions, although it is difficult to debate the reasonableness of man's increasing concern over his environment. Differences of opinion center around his schedule of priorities and aesthetic values. What is questionable is the predictability of value judgements in any area involving the human species. This position is based as much on



changing technology and its effect on man's ability to obtain desired goals in alternate ways as it is on the probability of the goals themselves changing. To accept this basic premise as it relates to density of land use, particularly residential, if not questioning the validity of the planning process, certainly highlights its complexity. The need for sound planning is obvious, but so is the conflicting and ever changing nature of goals and the forces in control. Estimating changes up or down in expectable density of land use over very long time periods is subject to the same potential impact of changing mores and technology as that now being experienced in population trends.

The Role of Industry in Residential Development in the Bay Region

It is almost axiomatic that industry is a needed ingredient for urban growth although this is increasingly less the case as is illustrated by enclaves in good weather locations of retired persons and those with "no visible means of support." Even in these instances, income is provided by non-basic employment and in some instances this is followed by basic industry. That employment is still a necessary ingredient for city development and urban growth is supported by 1) the decline over the past several years of in-migration to the State of California resulting from decreasing job opportunities and 2) the economic failure of a majority of the new towns. In the latter instance, the lack of success stories is not entirely attributable to the inability to obtain



industry and local employment but this must be considered high on the list of adverse factors.

The brief review of industrial location and trends in its growth from a location standpoint set forth earlier outlines the foundation for overall urban growth in the Bay Region. The fact that a large urban complex developed at this location in contrast to say, Monterey, Eureka or some other site along the coast, is almost entirely a result of the economic attraction of industrial activity in the Bay Region. I stated earlier that the location of industrial and residential use is a circular process.

A prime location factor for firms seeking new sites is the availability of manpower of various types (although such things as regional access, proximity of market, raw materials, costs and taxes often outweigh immediate proximity to a manpower reservoir as primary locational factors). The development of an employment base attracts job seekers who, where possible, establish residency convenient to the place of employment. In the early period of limited transportation, reasonable access to place of employment meant immediate proximity thereto. Home-to-work travel distances gradually increased as the quality of transportation increased.

Industry has become increasingly "footloose;" that is, able to locate in a wider variety of places for considerations other than transportation, manpower and raw materials. This is particularly true of the so-called



R & D development. Experience would seem to indicate that this freedom in choice of location is generally within the framework of choice of urban area and the site within that area, rather than freedom to choose any site irrespective of urban development. In other words, most companies will locate a new plant or office in a metropolitan region and will seek sites within that region which offer reasonable accessibility to the balance of the region. Despite the circular process I described earlier, site location decisions will continue to be made on the basis that, if not already available, manpower will appear as job opportunities are offered. This is not to say that there will not continue to be clustering of compatible industrial units to take advantage of the benefits such clustering provides. However, as in the past, mature communities will not attract industry simply because of a reservoir of manpower.

To a lesser degree than other factors discussed, the management of land use and urban growth requires some control over industrial location decisions. In the past where there has been any effective control, it has been accomplished by zoning, provision of utilities, and in some states, the use of cost or tax abatement incentives. Control of industrial location in the public planning process is considerably more difficult than control of new transportation development. This is true for a number of reasons, the most important of which is the element of private over public investment. Anything approaching



regional planning control has been made virtually impossible by the competition between communities for new industrial development as a means for building the tax base and, in many instances, enlarging the community. Some communities have long eschewed industrial development; usually suburbs occupied by upper income families. An increasing number of cities are re-studying their positions on pursuing industry with an eye to increasing selectivity if not eliminating further industrial development entirely. This movement is far from being widespread and smokeless industry at least is still courted by a majority of communities large and small. If there should be a trend towards resisting industrial development, the possibilities for effective regional planning in this sector will increase. More effective regional, or at least area-wide control of major utility systems provides an alternate means of attaining this goal. However, even if such control could be obtained, its effectiveness as a means of directing residential development is considerably less than the areas of transportation and development of utility systems.

The Role of Transportation in Residential Development in the Bay Region

Earlier comments emphasize the extremely important role of transportation in the urbanization of the Bay Region. While our study community is perhaps more interesting, this characteristic is not unique to the Bay Region. In this case, we have considered the rapid early



growth that was made possible by the ready-made water transportation network and the ring of urban development that resulted from the pattern of this network. Introduction of steel rail transportation in the form of railroads and "trolleys" offered liberation from the constraints of the water transportation system and the port complex, although the influence was less pronounced in urbanizing the hinterlands than in such cities as New York and Chicago. It remained for the automobile, bus, and truck to produce major growth away from the Bay; growth that was experienced by all urban uses. While the impact of motor vehicles was felt before the development of the freeway, the combination of the freeway system and cheaper cars greatly accelerated the decentralization process. Automotive transportation includes both the vehicle and the street but the latter is the media for access. Control of this media is necessary if the planner would control the direction of urban growth. This has become increasingly understood by government planners as well as the various players in the urban development scene.

Also generally accepted is the regional nature of the problem and the need for a regional planning process. The support of the federal government of various regional transportation planning programs and the lack of any strong organized resistance to the activities of regional transportation planning agencies indicate a reasonable degree of acceptance; (not necessarily acceptance of specific output of the planning process;



strong resistance movements have been mounted against specific freeway projects, particularly as they affect urban core areas.) There is still, however, fragmentation in the planning process as it affects transportation and certainly in the relationship of transportation and community-wide planning for orderly urban growth. While the regional transportation planning entity is doing its thing, in many instances, so is the State Highway Agency, the state, region, county, and city (and sometimes even neighborhood) planning entities, transit authorities, and private transportation companies.

Transportation is probably the single most important building block in the urban geographer's analytical tool kit. The general experience of communities to be served by the Bay Area Rapid Transit System and specific development programs near the stations where considerable development - much of it attributable to BART - has taken place even before the inauguration of service, illustrates the continuing impact of transportation on urban development. I believe that control of transportation development will continue an important aspect of controlling the urbanization process, although this contradicts the opinion of one member of the transportation industry who states: "The day when transportation decisions could colonize, settle, and change the drift of cultural development is rapidly ending."¹⁷ One author was quoted early in the paper as stating that "managing land use is the critical step in



improving the process of achieving community objectives by guiding market forces."¹⁸ To me the obvious next hypothesis is that he who manages transportation, manages major directional trends in land use.

The Role of Government Regulation in Urban Land Development

One important aspect of government control as it relates to urban growth has been discussed - the control of transportation systems. Reference has also been made to the significance of the importance of utility systems to industrial growth. Utility systems are equally significant in terms of residential building. Like transportation, there has been a growing acceptance of the need for regional control of utilities construction (public facilities), particularly sewage treatment. The critical condition in the Dublin-San Ramon-Pleasanton area is a good illustration of the need for earlier planning over a wider area.

The importance of control of public facility development has not diminished over the past decade or two; in fact, if anything, it has increased. In the early World War II period the septic tank was widely accepted and used lessening dependence on central treatment plants. Increasing density and the inability of the soil to handle the volume of sewage flow has, in a great many instances, resulted in increasing regulation of this type of treatment system and a decline in its use as a percentage of residential development. Until there is a technological breakthrough in the development of an inexpensive, effective small



treatment system, residential development - and for that matter most other types of urban use - will continue to be heavily dependent on public sewer and water systems. The control of these systems will provide a substantial element of control over the type and direction of land use. Local communities have received considerable federal financial support for capital budget items of this type. The federal government has shown increasing inclination to have their monies administered on a regional basis. To the degree that funds are available from this source, an element of control is offered at an important level.

Zoning is also an important element of public land use control. It has been the media through which communities have determined both general location of uses and the quality of development, particularly residential. The latter has been accomplished by lot size, off-site improvements (streets, sidewalks and locations of utilities) and more recently, through the planned unit development concept, the provision of open space. It is not possible to discuss in detail in this report the effectiveness of zoning as a land use control and the significance in terms of future development and its enhancement from the community viewpoint. The effects of zoning ordinances have varied greatly between communities. A majority of communities have effectively managed development in terms of community goals. (The desire of business interests for rapid population growth and more industry; the desire of suburban residents to exclude certain types of families considered undesirable, are goals



whether or not they are in keeping with the will of the entire community.) The validity of this conclusion is not lessened by the fact that the goals were often formulated by a small segment of the community, that these goals have changed over the years, and in many instances, past goals are not now considered desirable.

Seldin makes some interesting observations on the total local government control process: "The resource management (as in zoning or provision of public facilities) generates structural forces which significantly affect the efforts to deliver services. For example, the bias toward large lot subdivisions and generally high valued housing improvements (and associated high income occupants) generates a shortage of zoned land for lower priced improvements. The homogeneity of development by price class and type of land use over a wide area gives different localities significantly different tax bases and hence ability to provide public services to the community."¹⁹

Zoning is a very important element in land use control and, on a community basis, its importance exceeds that of transportation and public facilities. The fact that it is used by different forces often holding opposite philosophies to obtain desired objectives would indicate that it will continue to be an important force. Since it represents the only method of value choices within residential neighborhoods, individual communities will be reluctant to share local initiatives with other



communities on a regional basis. As was stated earlier, there appears to be some possibility in the area of industrial development as an increasing number of communities are questioning earlier drives for obtaining industry inside their city limits. If the sharing of community initiatives in terms of industrial land use control were to be achieved, it should be followed by some sort of accommodation in terms of commercial development, particularly as it relates to regional shopping centers. A successful program in these areas will be necessary before there can be reapprochement in terms of sharing community initiatives regarding residential land use control.

Information Systems

Control of any product or process requires a satisfactory fund of knowledge on the item to be controlled. Little or no factual information exists on land on a parcel by parcel basis. (There is more available information on boats and automobiles than on individual land parcels.) Local assessors have a record of each property in their jurisdiction containing some sort of identification. A few have recorded some detail as to the characteristics of the site, but this is the exception rather than the rule (the exceptions would hopefully include those with listings of active agricultural properties where the land is a direct production agent). Furthermore, the Assessor's body of information cannot be considered as "available" since the general public does not have access to the records except on a very restricted basis.



The lack of information on characteristics of individual land parcels is surprising in view of the very essential nature of land in the activities of man. With the continuous process of sale, purchase, mortgaging, subdividing, mining, farming, building - all involving land as a basic element - one would expect a greater pressure for an information system offering at least a summary of basic characteristics of every land parcel. Basic characteristics would include (in addition to ownership, location, size, and boundary dimensions) information as to topography, surface soil characteristics, subsoil, foliage, water courses, zoning and other restrictions, road frontages, use, and so on.

A number of studies have been performed in the recent past aimed toward developing a comprehensive data bank covering matters related to urban development and occupancy. Principally, as a result of the high projected cost of such a system, the results have been largely plans and recommendations with little or no output in terms of data collection and storage.

The preparation of a suitable information system is an appropriate function of regional government. In part, this should be a coordinating activity and the long-term, on-going contributions of such organizations as the Northern California Real Estate Research Council should be protected and augmented. Early compilation of a parcel by parcel vacant land inventory is an appropriate starting point. Basic information is



available from assessor's records, much of which is not privileged nor its use an invasion of the property owner's privacy. Other bodies of information exist which could be helpful including USGS and aerial photographic maps, Department of Agriculture information on soils and agricultural use, and engineering records prepared in the process of constructing public improvements. Such a system should have utility in all of the activities involving urban land as outlined above. It would offer protection to prospective purchasers who lack needed information as to important site characteristics; it would facilitate the construction of major public facilities such as highways and utility lines; and lastly, it should provide the planner with an effective tool for measuring land productivity in the urban sense, its holding capacity, and special characteristics which might help to identify its appropriate uses.

Summary

A brief review of the urbanizing process in the Bay Region underlines the importance of transportation and topography in the growth process. While the Bay Region has experienced steady growth, its expansion was greatly accelerated in the post-World War II era, a period of a little over two decades. There is no apparent set of conditions that will radically change the growth pattern either as to location or amount, except that earlier population forecasts appear excessive. The south Bay Area is expected to continue to be favored by expansion,



although diminishing amounts of available vacant land suitable for urban use may prompt a redirection of the growth pattern northward.

Density in terms of population per square mile has dropped steadily from 1930 to date. This trend could appear to be stabilizing and I would expect it to be reversed during the next two decades. However, there will be no substantial increase, certainly nothing approaching the high levels of the period from 1890 to 1940.

Estimates of future land requirements vary considerably but there is a consensus that at least for the balance of this century adequate land exists within the nine-county Bay Region for anticipated growth. Given the land availability parameters set forth in the Regional Plan 1970:1990 various "land stretching" potentials exist. These include increasing density of development, re-use of lands previously occupied by obsolete development, declining need for and conversion of agricultural lands, improved technology in utilization of rough terrain and the changing economic aspects of its use resulting from increased demand and lastly, the simple projection of development beyond the boundaries of the nine-county Bay Region. While it is doubtful that the urban complex which now centers around San Francisco Bay will ever find itself without land for necessary urban use, problems of misallocation in terms of quality and location will present increasing challenges to designer, planner, and developer.



Industrial development will probably continue at more or less the same pace as the average of the past two decades. The pattern of development will not be basically changed and the south Bay Area will continue to be favored. No radical changes can be expected in the extent of decentralization of industry. While the ability of "foot loose" industry to locate with less concern for the basic factors, raw materials, utilities, transportation, and labor supply, new installations of this type will select sites in about the same pattern as the recent past. Heavy industry will continue to decline as a portion of industrial development.

Residential development will continue to follow employment where satisfactory housing is available (satisfactory in the broad context). However, industrial use is not considered to be the prime factor that it has been in the past in terms of directing residential expansion. Its role in the control of land use is less significant than such factors as transportation, zoning, and the construction of public facilities. A change in attitude by many communities towards the benefits related to the costs of local industry suggests a possible breakthrough in the willingness of communities to share development controls on a regional basis.

Transportation continues to play an extremely important role in the control of urban expansion. This applies to most uses and certainly residential. This is evidenced by the effect of BART on development



patterns, both in the three-county district and in those counties which are not in the district. The freeway system continues to be the largest influence in the direction of urban growth and will continue to enjoy this position for the next several decades. The next major change in source of influence will be in communications. It will be possible to transact many items of business from a single location which previously required a trip to accomplish. This would seem to offer greater potential for changing location patterns than new methods of transporting people and goods.

Government at various levels continues to be a major influence on location patterns, although as yet, seldom on an organized basis. Transportation, as mentioned previously, represents a major influence by government. There are still many entities - private as well as public - planning independently on some phase of transportation.

The two other major areas of government influence are zoning and construction of public facilities. These controls are mostly on a local basis, although in a number of important aspects of the urban development process, controls are now on a state or regional basis. These include development of Bay tidelands (BCDC) and water pollution (the Water Quality Control Board). In some parts of the Bay Area utility services are being provided by districts which include several communities.



Regional control of the zoning process would appear to be a long way down the road. As stated earlier, there is a possibility of joint activities in terms of industrial use which, if it were to happen, could be followed by similar cooperation on certain types of commercial development. To the degree that funding of capital improvement projects is by the federal government, control over this important land utilization factor will tend toward the regional level.

There is a great need for a data bank for land information. In terms of available information, better records exist on motor cars and boats than on real property. Some of the needed information exists in assessor's records; some of the information is available elsewhere; and much of the other pertinent information should not be difficult to obtain. Potential benefits extend to every portion of the real estate industry as well as the fields of construction, engineering, assessment, design, and planning. It is very appropriate, not mandatory, that this activity be carried on at a regional level.



FOOTNOTES:

¹Seldin, Maury, "Managing Urban Growth Through Land Use Control." A paper delivered at the annual meetings of the American Real Estate and Urban Economics Association, New Orleans, December 1971.

²Vance, James E., Jr. "Geography and Urban Evolution" in The San Francisco Bay Area, Institute of Governmental Studies, University of California, Berkeley, 1963.

³Ibid.

⁴Santa Clara County, 1970, a report by the Santa Clara County Planning Department, San Jose, July 1970.

⁵op. cit. (Much of the discussion of historic developments in this paper is taken from Vance's paper.)

⁶Ibid.

⁷U. S. Department of Commerce, Business and Defense Services Administration, Future Development of the San Francisco Bay Area, 1960-2020. Prepared for the U. S. Army Engineers District, San Francisco Corps of Engineers (Washington, D. C. : Government Printing Office, 1959).

⁸Davis, Kingsley and Langlois, Eleanor. Future Demographic Growth of the San Francisco Bay Area. Institute of Governmental Studies, University of California, Berkeley, 1963.

⁹Jobs, People and Land, Bay Area Simulation Study. Special Report No. 6. Center for Real Estate and Urban Economics, Institute of Urban and Regional Development, University of California, Berkeley, 1968.

¹⁰BATSC Controlled Trends, Zonal Forecasts, 1965-1980-1990. Bay Area Transportation Study Commission, Berkeley, May, 1969.

¹¹op. cit.

¹²Association of Bay Area Governments Regional Plan 1970:1990, San Francisco Bay Region, Berkeley, July 1970.

¹³Ibid.



¹⁴ Association of Bay Area Governments, New Communities in the Bay Area, a report prepared by Alonzo, William and McGuire, Chester, Berkeley, September 1971.

¹⁵ op. cit.

¹⁶ op. cit.

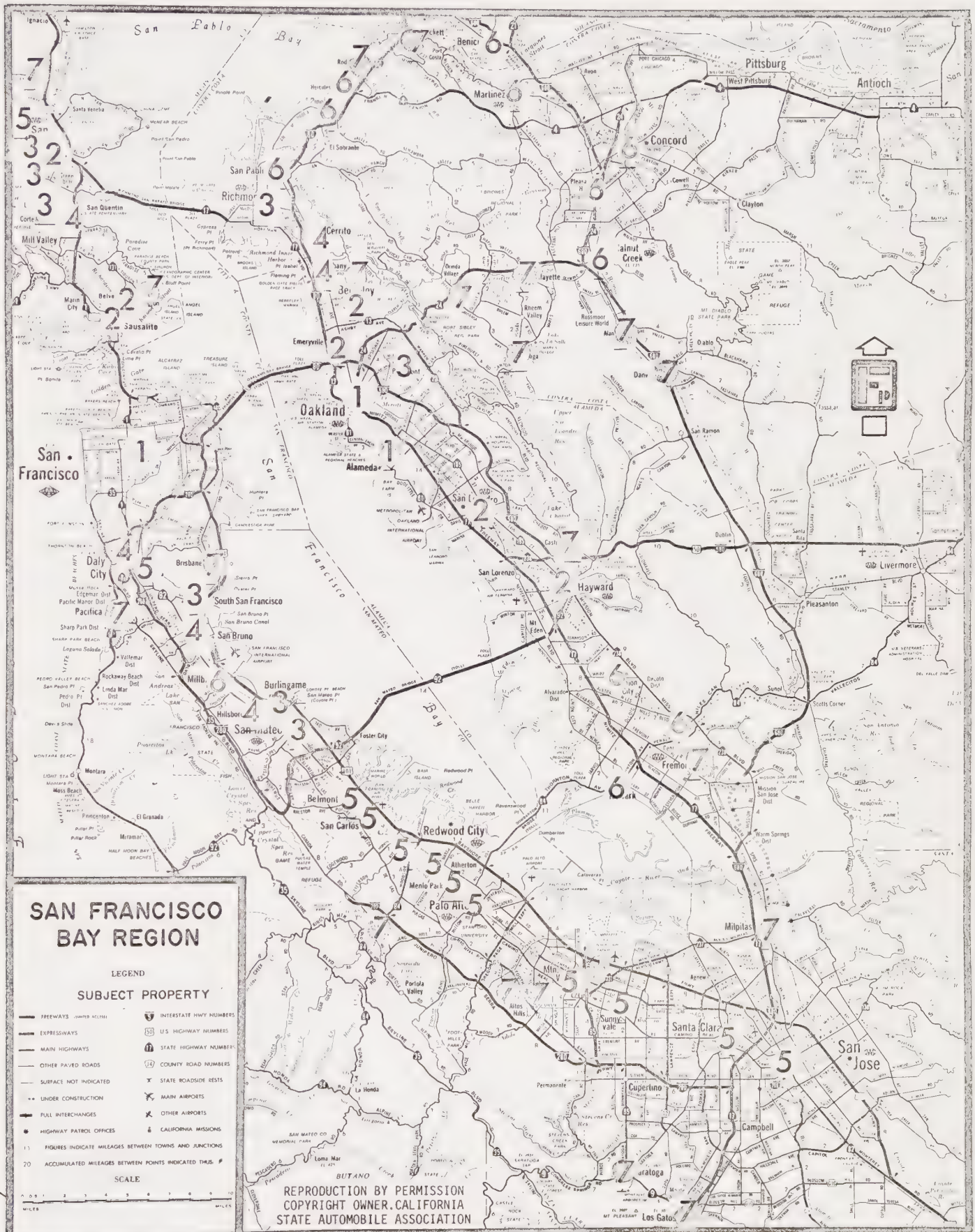
¹⁷ Boyd, Alan S. , President, Illinois Central Railroad, "Housing over Population in the 1970's", an address at the Lambda Alpha Biennial Congress, Chicago, October 1971.

¹⁸ Seldin, Maury, op. cit.

¹⁹ op. cit.



ADDENDA A
 ADDITION OF CITIES TO THE METROPOLITAN AREA
 Based on Information from International Population and Urban Research



1 1852-1880
 2 1880-1900
 3 1900-1910

4 1910-1920
 5 1920-1940
 6 1940-1950

7 1950-1960

URBANIZATION AND CHICANOS
IN THE BAY AREA

A Paper Prepared for
The Association of Bay Area Governments

by
The Tiburcio Vasquez Institute
for
Responsive Government, Inc.

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INTRODUCTION

There can be no doubt that the San Francisco Bay Area has become one of the most attractive areas for people to live and work. It is an area of great contrasts in physical beauty, climate, and resources. Located in the Bay Area are many picturesque communities such as Tiburon, Sausalito, Hillsborough, Atherton, Saratoga, and Los Altos Hills, which offer the tranquility and comfort of "California Living". Also located in this region are the Mission District, East San Jose, Union City, and the Oakland flatland which offer only poverty, disease, misery, and hopelessness to thousands of Chicanos. No minority group in the San Francisco Bay Area today suffers the same type or degree of social, political, and economic poverty known to the Chicano population.

In order to acquire a clear understanding of the Chicano population in the nine Bay Area counties, it is important to briefly review the history of the Chicano in California. The Treaty of Guadalupe Hidalgo, ratified by Congress on March 10, 1848, is perhaps the most significant document in the social history of the Chicano in California. This treaty, which marked the end of the Mexican War, guaranteed the civil rights of all Mexicans who remained in the annexed territories. However, the only article which was enforced under this treaty was the one ensuring the validity of land grants made by the Government of Mexico. The failure to implement the other

Alameda	160,168	13%
Contra Costa	51,903	9%
Marin	12,021	6%
Napa	5,954	8%
San Francisco	101,901	14%
San Mateo	13,039	11%
Santa Clara	186,525	18%
Solano	18,399	11%
Sonoma	15,200	7%

The counties of Santa Clara, Alameda, and San Francisco are in the top eight counties with the highest number of Chicanos in the state.

Although the census figures indicate that Mexican-Americans compose a significant sector of the population in the nine Bay Area counties, nevertheless the structures which govern and chart the course of one's life remain void of any meaningful participation by the Chicano community.

The solution to many of the problems facing poor people, whether the problem be housing, health care, employment, or transportation, rests with those in control of the responsible public bodies as well as with the ability of the poor and ethnic minorities to influence the significant political, social, and economic structures which govern the life of the community. The deliberations of the ABAG housing task force is a significant beginning because the make-up of this task force has been designed to allow for direct participation by

various economic segments of the community heretofore ignored and unknown to the Association of Bay Area Governments.

No other problem faced by Chicanos in the Bay Area has been studied more extensively than the housing problem. Thousands of dollars have now been spent studying the housing crisis in most of the nine Bay Area counties and the cities within those counties. Television documentaries, which vividly depict the plight of homeless families have been aired, and one special housing report after another adorn the bookshelves of public officials. And yet, the lack of housing remains a primary concern within the Chicano community.

There are similarities in the housing situation as it affects Chicanos in all of the counties of the region, with the exception of San Francisco. The common elements are that all of these counties are undergoing rapid urbanization and are faced with pressures, both from within and without to develop the area. The Chicano in these counties, up until very recently, has had a rural-agricultural orientation, making his livelihood primarily off of the land; he has had little opportunity to develop an economic power base or political power base to withstand the monumental pressures facing the community to develop and grow. Thus, in a very real sense, the Chicano in these counties has been powerless and defenseless and has been ill-equipped to face the coming of urban growth and de-

velopment.

The situation in Santa Clara County clearly illustrates the contrasts involved in a community undergoing urbanization. Therefore, our attention will be devoted to Santa Clara County as a model of what is occurring in the nine Bay Area counties, with the exception of San Francisco.

SANTA CLARA COUNTY: A CASE IN POINT

Santa Clara County is located approximately fifty miles south of San Francisco and is the fastest growing area within the nine Bay Area counties. The county-wide population, according to the 1970 Census is approximately 1,064,714. Of this total number, approximately 186,525, or eighteen percent of the population are Mexican-American and/or Spanish-speaking.² Chicanos therefore compose the largest single minority group in the county.³

There are fifteen municipalities in the county. By far, the largest municipality is the City of San Jose, and much of the growth of Santa Clara County is attributed to the growth of the City of San Jose. Since 1950, when the expansion-minded city manager, A.P. Hamman, assumed the reins of the city, San Jose has grown from an agricultural community with a population of 95,000, contained in seventeen square miles, to an urban community of one hundred thirty-five square miles and a population of 445,779.⁴

As an agricultural valley, Santa Clara County provided

employment for Mexican-Americans in the fields and orchards as well as in the packing houses and canneries. With urban growth, however, came large corporate land developers. The farmers and ranchers who once employed thousands of Mexican-American families sold their vast holdings to these land developers or became land developers themselves. The orchards and fields of the fertile Santa Clara Valley, which once fed the nation, were now replaced with commercial, industrial, and residential development. As the fields and orchards disappeared, jobs for Mexican-Americans became increasingly scarce. There were fewer crops to be harvested and therefore no need for the farmworker. Major canneries and packing houses which processed the crops closed their doors and moved out of the county into other agricultural areas.

In short, the Mexican-American has been caught in the cross-fire of the rapid urban development and economic growth which has been taking place in the county. As development has progressed, the Mexican-American has been displaced, not only from his employment, but also from his home. Without exaggeration, the Mexican-American has literally become a refugee in his own community. Long lists of Spanish-surnamed families await placement by the housing authorities of the City of San Jose and the County of Santa Clara. Other families, in desperation, have found shelter for themselves. However, all too often their new homes have been inadequate and temporary, primarily because these homes are all too often in the way

of a proposed freeway or urban development project.

Chicanos in Santa Clara County have essentially four major concerns which are:

- (1) Housing ,
- (2) Employment
- (3) Food and the necessities of life
- (4) Direct input into the decision-making process

For the purposes of this paper, we will limit our discussion to the housing concern.

From 1960 to 1969, Santa Clara County was one of the fastest growing metropolitan areas in the country, increasing by some 45,000 people a year and generating an average of 15,000 new dwelling units a year.⁵ Highly skilled workers, attracted by expanding job opportunities, created an affluent population. However, there are many people who have not shared in the general prosperity. Mexican-Americans and other poor people have been caught in the severe housing shortage which has existed in the county. For minority and poor families, the national goal of a "decent home in a suitable living environment" has not been met. On the contrary, there has been an increasing inability of the housing market to respond to the needs of such disadvantaged households. The contrast in Santa Clara County between the poor and the affluent, and the Mexican-American and the white population is never more apparent. There is no question but that there is visible geographical segregation of the minority and poor from the white

and the affluent.⁶ Lending policies of the banks, municipal zoning and land use policies, in addition to the policies of the Department of Housing and Urban Development, all play a role in the shortage and placement of housing for poor people.

Commercial banks play a central and a critical role in the development of a community. Government, particularly the federal government, is instrumental in the interaction between banks and the community. The government plays a central role in the basic deposit gathering and lending operations of commercial banks and savings and loan associations. By law, these banks are given control over checking account deposits, which guarantees banks the interest-free use of these deposits. Further, government insurance creates public confidence in the banks and encourages the public to deposit money in banks.

In addition to the guarantees provided under federal law, the federal government deposits large and substantial sums of its money in banks, interest free.⁷ Deposits from government sources give banks sufficient liquidity to attract more deposits and lever them further with greater flexibility.

Although banks effectively operate under the protective umbrella of the federal government, the lending policies of banks, vis-a-vis the minority and poor community do not reflect social awareness of the problems of urban development and economic growth. The protection given to these

banks by the federal government gives rise to a corresponding obligation on the part of banks to comply with the policy and goals of the federal government. Banks perform a "public trust", and they do so by government fiat. The decisions made by governing boards of the banks affect the entire community, including governmental structures. As a public trust, banks should be responsive to the needs of the community which they serve.

Nevertheless, the banks have not complied with the policy and goals of the federal government with regard to housing and placement of housing. The only question which banks are concerned with is whether its loan to a developer is secure and will make an anticipated return. Social concerns apparently do not enter into the consideration; the pattern of housing in Santa Clara County is visible evidence of this fact.

Recently, three members of the Tiburcio Vasquez Institute met with the regional vice-president of the Bank of America. He prided his bank's socially responsive policies. Indeed, the Bank of America has awarded scholarships, instituted training programs, and established a special loan program for minority businesses. One of the programs instituted by the Bank of America was of particular interest to us. The president of the bank established a special loan fund of \$100 million earmarked for a home ownership program for poor and minority people. The standards for qualifying under

this special program were more lenient than that under FHA standards. The program was so successful that the president earmarked an additional \$100 million.

The problem with this special program was that it was earmarked for poor and minority people living in a certain geographical area. For instance, in the San Jose area, the East Side of San Jose was selected as the geographical lending area under this program. All minority and poor people living in the East Side of San Jose potentially could qualify under the bank's loan program. However, only minority and poor people living in that given geographical location qualified. It was apparent that there would be a tendency for minority and poor people to move into this designated area because of the availability of the loan. Further, there would be a tendency for minority and poor people already living in this area to continue to live there rather than attempt to move out of the neighborhood since it would be more difficult to obtain a loan outside of the area. In short, the Bank of America, through its lending policies, assisted in creating an ethnically and economically imbalanced neighborhood. This bank's lending policies, compounded with other decisions which have been made, and are being made, by governmental entities has insured the East Side of San Jose to be a Mexican barrio, where schools are ethnically imbalanced to such a degree that integration of the schools for quality education is presently a grave

concern.⁸

In order to remedy this problem, we suggest that the federal government establish appropriate regulations and guidelines whereby participation of the minority and poor community on the governing boards of lending institutions be required. In this way, lending institutions will be made to be responsive to the needs of the minority and poor community. In addition, the federal government, through the Comptroller of the Currency and other appropriate regulatory bodies, should establish a system whereby all banks and savings and loan associations report their lending patterns of home loans in terms of geographical location of the homes, the racial or national origin of the borrower, and the economic status of the borrower. Furthermore, interest-free deposits by the federal government should be used as leverage on lending institutions and deposited in those banks that are willing to extend more lenient loans to minority and poor people.

Closely related to the lending policies of banks is the problem of municipal zoning and land use policies of the various jurisdictions. Earlier in the introductory remarks, we stated that Santa Clara County, particularly the City of San Jose, has grown from a sleepy agricultural community to a large urban area. The urban growth which began in 1950 and which went unchecked for twenty years has left visible marks on the county and the fifteen cities

within the county.

The very real problem of concentration of minority and poor people in one geographical location of the county did not occur by accident. The fifteen cities in Santa Clara County have a variety of zoning restrictions and land use policies. Two municipalities, Los Altos Hills and Monte Sereno, have a minimum one acre zoning restriction which effectively prohibits the construction of multiple housing units under any of the FHA low and moderate income housing programs designed to provide housing for the poor.⁹

While other cities do not have prohibitive zoning restrictions, nevertheless, planning decisions have been made so that low-income housing is located in the barrio, and housing for the affluent is located in the suburban areas. The City of San Jose's planning policies are a case in point. Recently, the planning commission of the city approved a project to be located in an exclusive suburban area. The proposed project is to be located on one hundred one acres and will be composed of single family and townhouse units. The single family homes will sell from \$32,000 to \$38,000. The three hundred townhouses will sell from \$26,000 to \$36,000.¹⁰

Developments such as this one raise two important problems. First, the 1970 Census indicates that there is a marked spatial segregation of income groups in the county. The poor are found in the older areas of the valley floor, the barrio, while the higher income groups, those earning

more than \$15,000 a year, tend to dominate the newer areas in the foothills.¹¹ Additionally, there is a corresponding spatial segregation of racial groups. Mexican-Americans are found in the older areas, while there are relatively few Mexican-Americans in the higher income residential areas which are developing. Needless to say, the schools in the core city have a very high concentration of Mexican-Americans (80% or more) and poor people, while the schools in the suburban areas have very few Mexican-Americans (5% or less) and poor people.¹²

Secondly, recent studies indicate that there are relatively few homes selling for less than \$20,000 in Santa Clara County, while more than one-third of the new homes are selling for over \$30,000. In short, developers are building homes for the affluent. Escalating costs have precluded an increasingly larger share of Santa Clara County households from an opportunity for home ownership.

Many reasons may be attributed to the causes of segregated neighborhoods. However, in our opinion, municipalities have failed to impose meaningful restrictions and conditions upon developers when zoning and building permits are requested. One important condition which should be imposed upon private developers is that they should be required to provide funds to relocate families who are displaced as a result of their development. More often than not, those who are displaced are minority and poor people.

Another important condition which should be imposed upon private developers is that they provide homes for all economic segments of the community, and that they provide a proportionate number of homes in a price range that is within the reach of those families who have been displaced as a result of their development.

Because of the cost of home ownership, the very large majority of Mexican-Americans and poor people must rent. Although both the County of Santa Clara and the City of San Jose have housing authorities under Section 23 of the federal leased housing program, the number of units of such subsidized housing fails to meet the needs of the poor.¹³

Rental housing has also increasingly become more costly. Vacancy rates have fallen from fifteen percent in 1965 to less than one percent in 1972. Households earning less than \$4,000 a year are those most adversely affected by the short supply of rental units. It has been estimated that ability to pay \$120 per month in rent was necessary before the local rental market could supply an adequate number of units to balance supply and demand. Assuming a normal budget of twenty-five percent of monthly income for rent, it appears that a household in Santa Clara County had to earn \$5,700 a year before the market could supply an adequate opportunity to rent. For nearly 34,000 renters with incomes below \$5,700 there were only 14,400 units available at prices they could afford. In addition, the majority of unsound rentals in the county are

in the rental range below \$120 a month.¹⁴

In our opinion, merely placing controls on the price of rentals as the President's Phase II Economic Policy attempts to do, is ineffective for it is apparent that according to the law of supply and demand, the price of rentals will skyrocket once the price freeze has ended, particularly in the price range where there is the greatest demand, among the poor. We suggest that substantial federal assistance is needed to enlarge federal programs such as Section 23, Section 236, and Section 235. Only until the supply of housing meets the demand for housing will there be any stabilization in the price of rentals for poor people.

Altruistic and economic motivations have led to the supply of housing for poor people. And yet, the quality of of that housing has been poor. The placement of the housing has added to the severe ethnic and economic imbalance in the schools and have created other social problems for Chicanos. The financing of such housing has been inadequate and there are several projects in the Bay Area that are failing as a result of this. Finally, poor and inadequate management of housing projects have compounded the problems of providing housing for Chicanos and poor people.

Therefore, we suggest to the members of the housing task force that they be keenly aware of the critical role which they have assumed. The supply of housing, the placement of housing, the quality of housing, the financing of housing,

and the management of housing are important factors which must be carefully weighed if the problems which we have outlined in this paper are to be resolved.

DECOTO: A REPETITION IN ALAMEDA COUNTY

The pattern of growth and development in Santa Clara County is presently being repeated in other parts of the nine Bay Area counties. Recently, we were invited by Chicanos residing in the Decoto and Alvarado area of Alameda County to assist them in their zoning struggle.

Decoto and Alvarado are Chicano barrios. Chicanos make-up approximately eighty-five percent of the population in this area. And yet, the representation on the local city council does not reflect the ethnic and economic make-up of this community.

Because of the lack of adequate representation, Decoto and Alvarado residents are being threatened presently with a rezoning attempt which will change the zoning from residential to commercial. Thus, the residents in this community are caught in a paradoxical situation. That is, while the rezoning effort would effectively increase the value of their real property, the increase in the real property as a result of "up-zoning" will not be enough of a monetary gain to permit them to move into another home without great financial loss.

If it is the intent of the city council to completely eliminate the barrio, they will do so by this action. At first

glance, such action by the city council to rezone the barrio to commercial use seems to be racially motivated for Chicanos will find it virtually impossible to live in the city if this action is taken. However, if racism is not the primary motive, then certainly economics is. Careful study of the area points up the fact that the Bay Area Rapid Transit (BART) is in the final stages of construction. It is not coincidental that the area which is planned to be rezoned is a ten-minute walk from the BART station and is located along the BART route. Thus, with the coming of BART the real property along its route has suddenly become extremely valuable. The barrio, whatever value Chicanos may place on such a community, is now economically unfeasible.

The pattern of growth and development in Decoto and Alvarado is not very different from the pattern of growth which we outlined in Santa Clara County. Again, Chicanos and poor people are caught in a vicious cross-fire which comes with irresponsible urbanization of a community.

SAN FRANCISCO COUNTY

Of the nine Bay Area counties, San Francisco County is unique in its relationship to Chicanos. The Mission District has for decades been the port of entry and the home to thousands of "urbanized" Mexican-Americans.

Once the home of the Irish and the Italian families, this barrio was one of the most important Mexican-American

districts in the San Francisco Bay Area. Approximately 30,000 Mexican-Americans still reside in San Francisco. However, the bulk of the Spanish-speaking residents are Central and South American extraction.

Housing in the Mission District is among the poorest in the Bay Area. The old victorian homes with their antiquated electrical wiring systems, cramped garages, cold and damp walls, serve as the only low-income housing available to the working poor. Concrete block houses that resemble the old Spanish fortresses house welfare recipients and other poverty stricken families.

The Bay Area Rapid Transit line through the Mission District has had the same effect on the people as in Decoto and Alvarado in that it has made the Mission District the target of real estate speculators wishing to make fast money. The economic impact of BART on the Mission District will be felt by its residents over the next ten years.

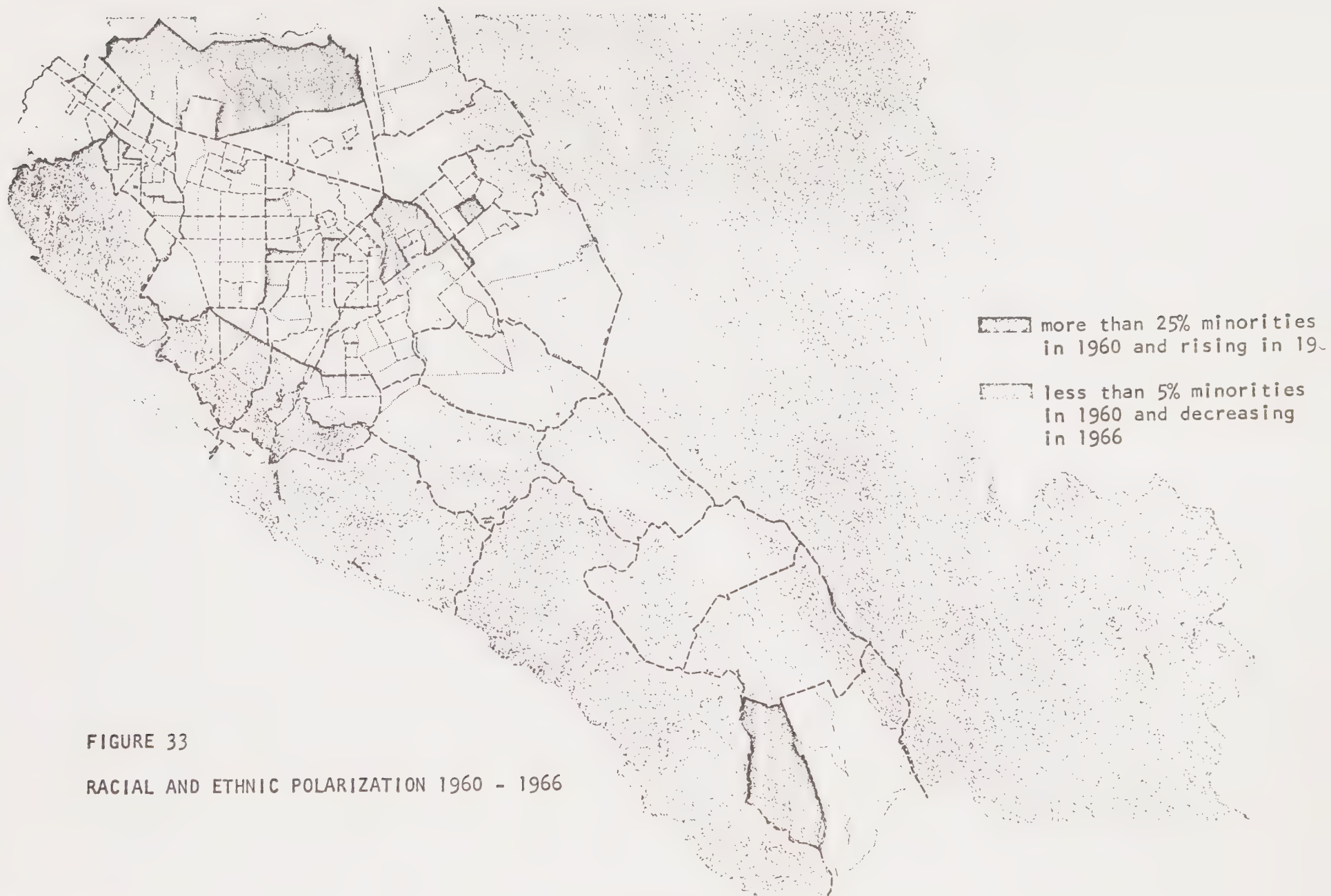


FIGURE 33

RACIAL AND ETHNIC POLARIZATION 1960 - 1966

FOOTNOTES

¹See 1970 unreported preliminary Census issued by the United States Census Bureau pursuant to a November 29, 1971 federal court suit charging that the Census Bureau has refused to release its Spanish-Americans statistics for the 1970 Census. Confederacion de la Raza Unida, et al. v. George H. Brown, et al., (N.D. Cal., #C-71-2285).

²Ibid.

³There are only 1.7% Negroes in Santa Clara County according to the April, 1970 Census.

⁴"Correcting San Jose's Boomtime Mistakes," Business Week, September 19, 1970, p. 74.

⁵The Joint Housing Element: 1971, Santa Clara County, p. 1.

⁶See Appendix A.

⁷"The Great Treasury Scandal of 1971," Martin Price, Washingtonian, September, 1971, p. 58.

⁸Diaz, et al. v. San Jose Unified School District, et al., (N.D. Cal., #C-71-2130).

⁹Zoning and Housing, Santa Clara County, December, 1970, p. 59. See also, Ybarra, et al. v. City of the Town of Los Altos Hills, et al., (N.D. Cal., #C-70-2684).

¹⁰Ybarra, et al. v. City of San Jose, et al. (N.D. Cal., #C-71-2239).

¹¹The Joint Housing Element: 1971, Santa Clara County, p. 4.

¹²"Racial and Ethnic Data, Santa Clara County Schools, Fall, 1970," prepared by the County of Santa Clara Office of Education.

¹³The Housing Authority of the City of San Jose presently is funded for 1,490 Section 23 leased housing, while the Housing Authority of the County of Santa Clara is presently funded for 800 units.

¹⁴The Joint Housing Element: 1971, Santa Clara County, p. 3.

THE BLACK POPULATION IN THE
SAN FRANCISCO BAY AREA FROM
1900 TO 2000

Prepared For:
ROBERT PITTS
and
THE ASSOCIATION OF BAY AREA GOVERNMENTS

By
DEL GREEN

June 23, 1972

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SECTION I

INTRODUCTION

The Black population in the San Francisco Bay Area has grown from less than 3,000 in 1900 to over 300,000 in 1970 and is projected to reach over 700,000 by the year 2000. Along with population increases of whites and other minorities, the San Francisco Bay Area population is projected to reach more than 7,000,000 by the year 2000.

This projected population "boom" will undoubtedly create serious problems primarily in housing and jobs, and especially for the Black and other minority groups without adequate regional planning. We must now begin to determine the growth centers, employment opportunities, labor skills required, public transportation needs, environmental protection, etc. We must also at this point and time accelerate our efforts to deal effectively with the "now" problems and their solutions in order to cope with the future. Failure on our part as responsible citizens to allow present regional problems to compound themselves by the very act of our own procrastinations is unforgivable and will be an unwanted legacy for future generations.

This position paper attempts to indelibly portray the history, status quo and projected population to the year 2000 of Black residents in the San Francisco Bay Area and the relevancy to comprehensive regional planning. We must accept the challenge of today and the future to improve the life styles of all citizens so that we may live in harmony together as a single rather than a separate society.

SECTION II

HISTORICAL DATA OF THE BLACK POPULATION IN THE SAN FRANCISCO BAY AREA

In the attempt to collect and analyze historical data concerning the Black population of the San Francisco Bay Area, a data gap was discovered for the period 1940 to 1960. A serious deficiency in detailed data on the characteristics of population -- age, sex and race for the same period was noted also by Maurice Gershenson in 1968 when he was commissioned to complete an "Evaluation of Bay Area Economic Studies". The National Committee Against Discrimination in Housing in Phase I, Research and Analysis of the San Francisco Bay Area Demonstration Project, also claimed they were totally limited in ethnic data to the U. S. Census publications for 1960 except for bits and pieces of information and a report of the California Department of Education, Racial and Ethnic Survey of California Public Schools, 1966.

Thus, the historical data and analysis herein related to the Black population in the San Francisco Bay Area has been extracted primarily from the NCDH study and other relevant resources.

It has been said that racial discrimination in the San Francisco Bay Area is only one generation old and that it started with the built-in housing racial segregation of World War II - with all the segregated housing built directly or its construction totally controlled by the federal government.

By 1940, except for the "exclusion" policies affecting Chinese and Filipinos and the uprooting of the Japanese for the War period, the effects of racial discrimination were relatively mild in the Bay Area.

The rapid growth of the ethnic minority population during World War II migration years and continuing since that time have resulted in the creation of ethnic pockets within the cities of which there is a substantial Black population. Between the years 1900 and 1940 the Black population growth was as follows:

<u>Year</u>	<u>Total Population</u> <u>(Rounded)</u>	<u>Black</u> <u>Population</u>
1900	661, 000	3, 670
1940	1, 734, 000	20, 600

From 1940 to 1960 rapid growth took place as follows:

<u>Year</u>	<u>Total Population</u>	<u>Black Population</u>
1940	1,734,000	20,600
1960	3,639,000	244,400
1970	4,851,000	343,139

As the population grew after 1940 the Anglos made more and more an exit to the suburbs and Blacks and other minorities stayed behind to occupy the cities. (For the sake of this report cities refer to San Francisco, Oakland, Berkeley, and Richmond.)

As the white population began to shift after World War II to the outside of the core Bay Area cities and as the change from a war-time economy to a peace-time economy occurred, Black enclaves in Marin City, East Palo Alto and Pittsburg noticeably also began to appear. Subsequently, East Palo Alto and Marin City have become almost 100% Black. At the same time, the cities witnessed a phenomenal Black population increase within contained areas that later developed into our present ghettos.

Immediately prior to World War II the federal government subsidized quantified public housing for the core cities in a segregated pattern. This imposed residential segregation - racial and economic - is believed to have caused the crisis which the core cities now face and by its own nature has spawned poverty, deprivation and frustration in the Black communities throughout the San Francisco Bay Area. As the Black population began to swell in the cities, the Federal Housing Administration (FHA) and the Veteran's Administration (VA) provided limited opportunities to Blacks to purchase single family dwellings in areas adjacent to the cities which were also segregated. It would not be unfair to state that the federal government has built the ghettos in the San Francisco Bay Area or our nation by its own policies and administration of federal housing programs.

The involuntary confinement of the Black population in the Bay Area to the ghettos and enclaves has created serious socioeconomic problems which remain unresolved. These problems are identified as problems dealing with education, employment, housing, economic development and transportation. Historically, discrimination in one form or another has prevailed in the Bay Area and the Blacks have reaped few benefits. This condition, however, is much better than in other parts of the nation.

Other significant historical statistics illustrating the impact of the Black population on the Bay Area are as follows:

Education

The California State Department of Education, "Racial and Ethnic Survey of California Public Schools" - Part One - Distribution of Pupils - Fall, 1966, reveals white Anglo families with children in public schools (up through junior college) have almost deserted the four Bay Area cities. Ninety percent of all the white Anglo children at the time of the survey were in schools "outside" the four cities.

Whereas 74% of the Black public school children were in schools in the four cities and 61% of all the public school children in the four cities were from minority families as against 16% outside.

Housing

Almost all the housing (single or multiple) built in the 28 years (1940 - 1968) was built outside the four cities and the trend was with the population increase.

Percentage of all Housing

<u>Year Built</u>	<u>4 Cities</u>	<u>Outside</u>
1940-49	32%	68%
1950-59	14%	86%
1960-68	10%	90%

These statistics conclusively indicate where development occurred outside. They also show very little development occurring in the four cities for the period 1950 - 1968 at which time there was considerable Black population growth which accounts for the impaction in the Black community.

Occupancy of Substandard Housing (1960 Census) % of Substandard

	<u>In 4 Cities</u>	<u>In 7 Counties</u>
White	19.1%	14.1%
Spanish Surname	36.3%	43.7%
Non White	51.5%	46.8%

While a further breakout of the non-white was impossible from the information at hand, it is not difficult to discern an approximate Black percentage from correlation with other Black population characteristics.

Substandard definition includes all dwellings reported as deteriorated or dilapidated, toilet shared or none with more than one person per room.

(Napa and Sonoma counties were excluded from the above data compilation.)

Employment

Of the 550,000 jobs added between 1958-68 in the nine Bay Area counties, 83% were added outside the four cities. Even though figures are cited only for the period 1958-68 the trend of industry establishing or relocating in suburban areas began in the early 1950's due to economic advantages and the availability of a labor force not maligned with the social problems of the labor supply in the four cities. This trend, coupled with transportation problems of the Black city resident to commute to places of employment in suburbia created high rates of unemployment in the four cities.

The following information shows family income and percentage distribution:

Family Income - 1959 (U. S. Census 1960)

Four Cities Percentage

Income	White	Spanish Surname	Non-White
Below \$3,000	8.7%	14.5%	23%
\$3,000 - \$4,999	11.6%	21.4%	23.9%
\$5,000 - \$6,999	22.1%	28.5%	24.5%
\$7,000 - \$9,999	27.0%	22.0%	19.0%
\$10,000 and Over	30.6%	13.6%	9.6%

Total	100	100	100
-------	-----	-----	-----

Nine County Area (Outside 4 Cities)

Income	White	Spanish Surname	Non-White
Below \$3,000	9.9%	14.0%	20.2%
\$3,000 - \$4,999	11.3%	18.1%	24.7%
\$5,000 - \$6,999	22.4%	27.7%	24.8%
\$7,000 - \$9,999	29.3%	25.3%	18.0%
\$10,000 and Over	27.1%	14.9%	12.3%
Total	100	100	100

The number of Blacks added to the nine county population each decade since 1900 is illustrated below of particular significance is the increase from under 5, 000 to almost 130, 000 during the war years. This is the only decade during which the increase in the number of Blacks was greater than the increase in other minority groups.

Distribution of Black Population
Growth by Decade from 1900 - 1970

Decade	Black Population
1900-10	2, 484
1910-20	3, 924
1920-30	5, 997
1930-40	4, 562
1940-50	129, 158
1950-60	94, 602
1960-70	343, 139

SECTION III

PRESENT DATA ON THE BLACK POPULATION IN THE SAN FRANCISCO BAY AREA AND SOCIOECONOMIC IMPLICATIONS

This information on the Black population in the San Francisco Bay Area was taken from the 1970 Census population, U. S. Department of Commerce, Bureau of the Census (PC-V2-6), California, February 1971. It is broken out in two parts. One is the Black population within Standard Metropolitan Statistical Areas (SMSA) and the other by cities in the nine counties of the Bay Area.

Black Population Within SMSA (U. S. Census, 1970)

<u>SMSA</u>	<u>Black Population</u>
San Francisco-Oakland (includes the five counties of San Francisco, Alameda, Contra Costa, Marin and San Mateo)	312,387
San Jose (all of Santa Clara County)	13,262
Vallejo-Napa (all of Napa and Solano counties)	16,985
Santa Rosa (all of Sonoma County)	505
Total Black Population....	343,139

Black Population By City in the San Francisco Bay Area (U. S. Census, 1970)

<u>City</u>	<u>Black Population</u>
Oakland	124,710
San Francisco	96,078
Richmond	28,633

Berkeley	27,421
East Palo Alto	10,846
Menlo Park	4,656
Daly City	3,641
San Mateo	2,862
Alameda	1,869
Hayward	1,688
Palo Alto	1,469
Milpitas	1,411
Marin City	1,543
El Cerrito	1,388
Redwood City	948
Mountain View	674
South San Francisco	625
Albany	531
Pacifica	521
Fremont	397
Martinez	323
Castro Valley	209
Newark	185
Livermore	172
Union City	152
San Bruno	142
Walnut Creek	100
San Anselmo	91
San Leandro	84
Belmont	80
Piedmont	67
Pleasant Hill	64
Citrus Heights	63
Pleasanton	58
San Carlos	44
Lafayette	37
Mill Valley	36
Burlingame	29
Larkspur	26
San Lorenzo	20
Alamo-Danvil	37

The Black enclaves in the Bay Area are unique and separate microcasms each different from the other and basically with the same array of socioeconomic problems. These are problems of housing, employment, education, economic development, transportation and political representation sensitive to the needs of the Black community and aggressive enough to identify a constituency which will, through political action, provide for upward mobility into the mainstream of

our society. Each of the problem areas mentioned above will be treated separately in this position paper in context with the Black population characteristics to emphasize the status quo.

The present housing problem of the Bay Area Black population is at the least a major crisis. Substandard housing proliferates the Black communities accompanied by new subsidized federal housing to further impact already segregated disadvantaged areas in the core cities. The regional government, the Association of Bay Area Governments (ABAG) has failed in the past to deal with this housing crisis by developing a regional housing element to implement and the present snail like pace in its development will certainly make the final product outdated as the housing needs of minorities in the Bay Area will not come to a standstill to accommodate the conceptualization and development of that element.

The cities alone cannot provide a housing stock to meet the ever increasing need by low and moderate income minority families in accordance with the provisions of federal housing legislation. The suburban communities in the San Francisco Bay Area utilize all forms of subterfuge to keep low and moderate housing out of their communities where the real opportunity is for growth and other social amenities.

Housing costs, which continues to rise, puts most dwellings out of the price range of Black families without a subsidy.

The Bay Area Redevelopment Agencies have acquired land through the process of eminent domain for the purpose of removing blight and new residential development. In each case the community is faced with relocation problems and creation of an instant gilded ghetto to replace the demolished one.

The total real estate industry, including lending institutions, still practice discrimination in the rental and sale of housing even though it is prohibited by the Civil Rights Act of 1968. The complaint procedure for redress by HUD and FEPC is not geared to provide resolution to acts of discrimination within a reasonable period of time. Therefore, the Black community aware of this fails to file complaints for most acts of discrimination.

Commerce and industry continue to desert the cities and relocate or establish places of business in the suburbs for a host of beneficial reasons. This trend creates high unemployment rates among Blacks in the cities as they are faced with commuter problems to places of employment in the suburbs where in most instances they cannot find decent housing they can afford. On the other hand, most Blacks refuse to give up their city residency for very personal reasons. Blacks do not and will not have access to employment opportunities at their skill levels if the

present system prevails. Unless the Blacks are able to rapidly upgrade their skills and take over a constantly increasing share of the "in City" jobs of every kind not just service and common labor they must get outside for jobs and housing on a massive scale in this decade to get into the mainstream of society.

High concentrations of the Black population in the cities and the "mini-ghettos" of the Bay Area contribute heavily to educational problems at the local level. The problems of school desegregation, providing quality education and curriculum development for the Black student are most paramount at this time. Constructive attempts are now being made to solve these problems by local school boards.

If the Black population of the Bay Area remains located as it is, public transportation must be vastly improved to provide for their mobility to places where they can be gainfully employed outside of the cities. BART alone is not the answer for the Black population.

One of the most, if not the most, important Black problem is being represented in the local and regional political arena by elected officials that are sensitive to the needs of the Black community. Blacks must somehow become more sophisticated to deal on a day to day basis with the political realities which affect their lives. Unless they develop a political sophistication to constructively involve themselves more in local politics and the decision making process they will have no control over their destiny.

SECTION IV

FUTURE BLACK POPULATION PROJECTIONS FOR SAN FRANCISCO BAY AREA COUNTIES

The population statistics which follow represent the total population of each of the nine San Francisco Bay Area counties as well as the actual Black population for each of those counties from 1950 through 1970. This information was obtained from U. S. Census data 1950, 1960 and 1970. Of significant importance are the same population projections from 1980 through 2000. This information was compiled based upon population figures for the past twenty two years and these projections were developed on the Mark II General Electric 235 Computer. General Electric completed its research and population projections with the assistance of Stanford Research Institute, the State of California Department of Documents and the University of California at Berkeley.

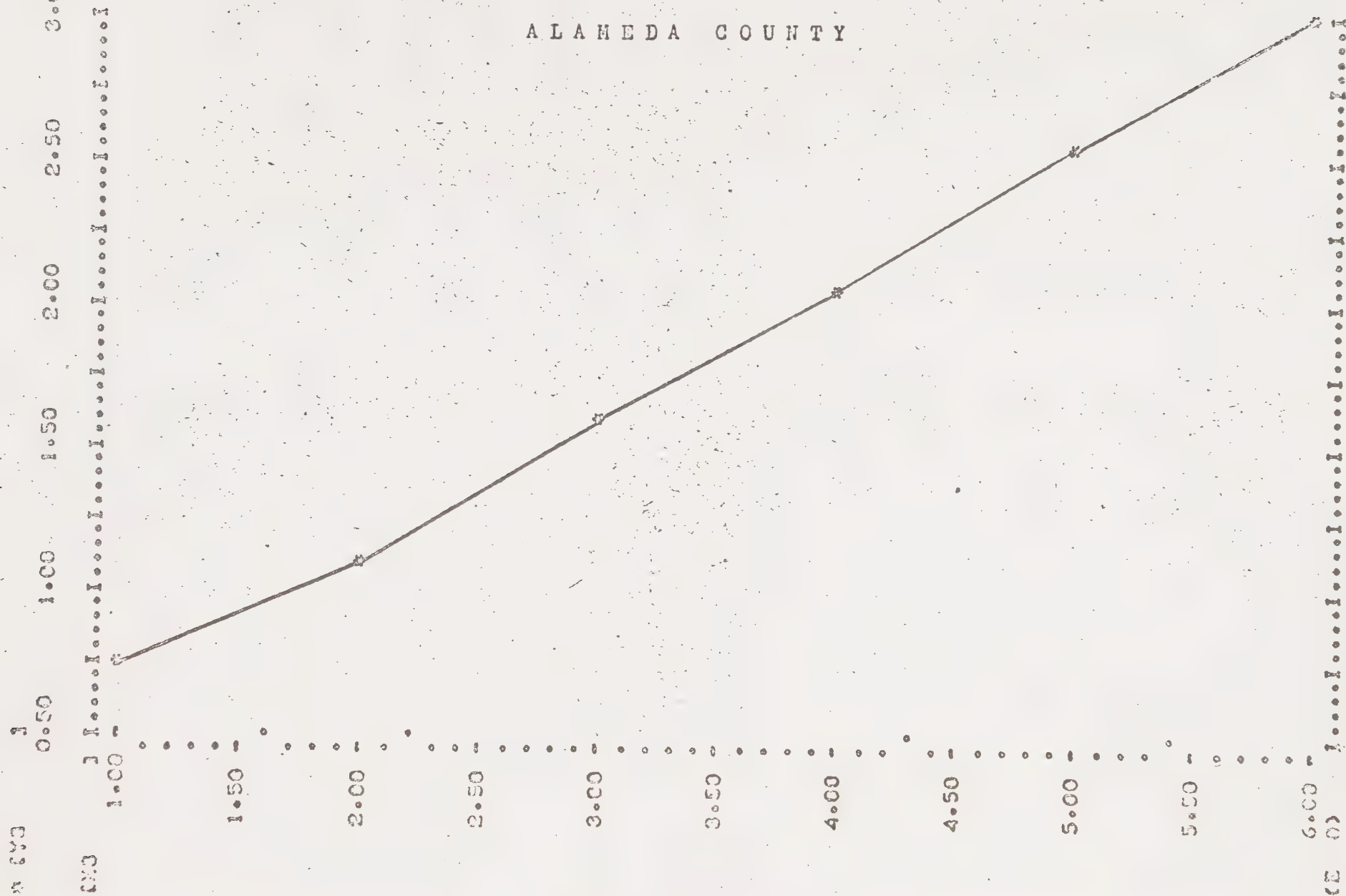
The confidence limit of these population predictions are claimed by General Electric to be 95%; that is, the probability is that these projections are within 95% of what the actual population figures will be at the year stated.

The Black Population and Future Projections 1950 - 2000

<u>Alameda County</u>		
<u>Year</u>	<u>Black Population</u>	<u>Total Population</u>
1950	64, 442	740, 315
1960	111, 420	912, 600
1970	161, 282	1,076, 100
1980 *	206, 554	1, 217, 700
1990 *	252, 974	1, 380, 200
2000 *	299, 394	1, 510, 700

* Population Projections

BLACK POPULATION DISTRIBUTION ALAMEDA COUNTY

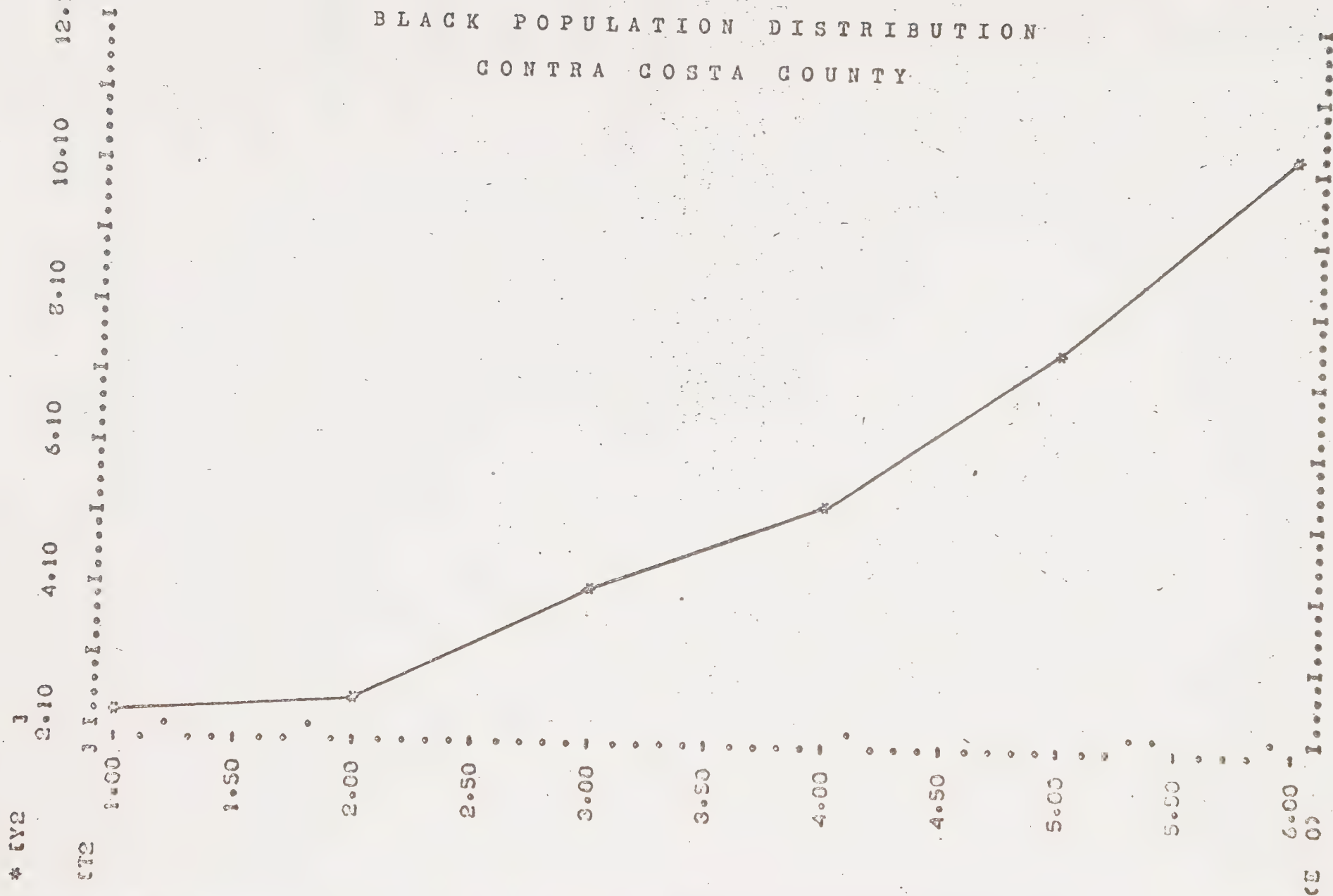


C O N T R A C O S T A C O U N T Y

<u>YEAR</u>	<u>BLACK POPULATION</u>		<u>TOTAL POPULATION</u>
1950	22,023	7.3	298,984
1960	25,294		424,000
1970	41,620		560,700
1980 *	53,888		689,100
1990 *	74,080		852,400
2000 *	101,839		988,700

* Population Projections

BLACK POPULATION DISTRIBUTION CONTRA COSTA COUNTY

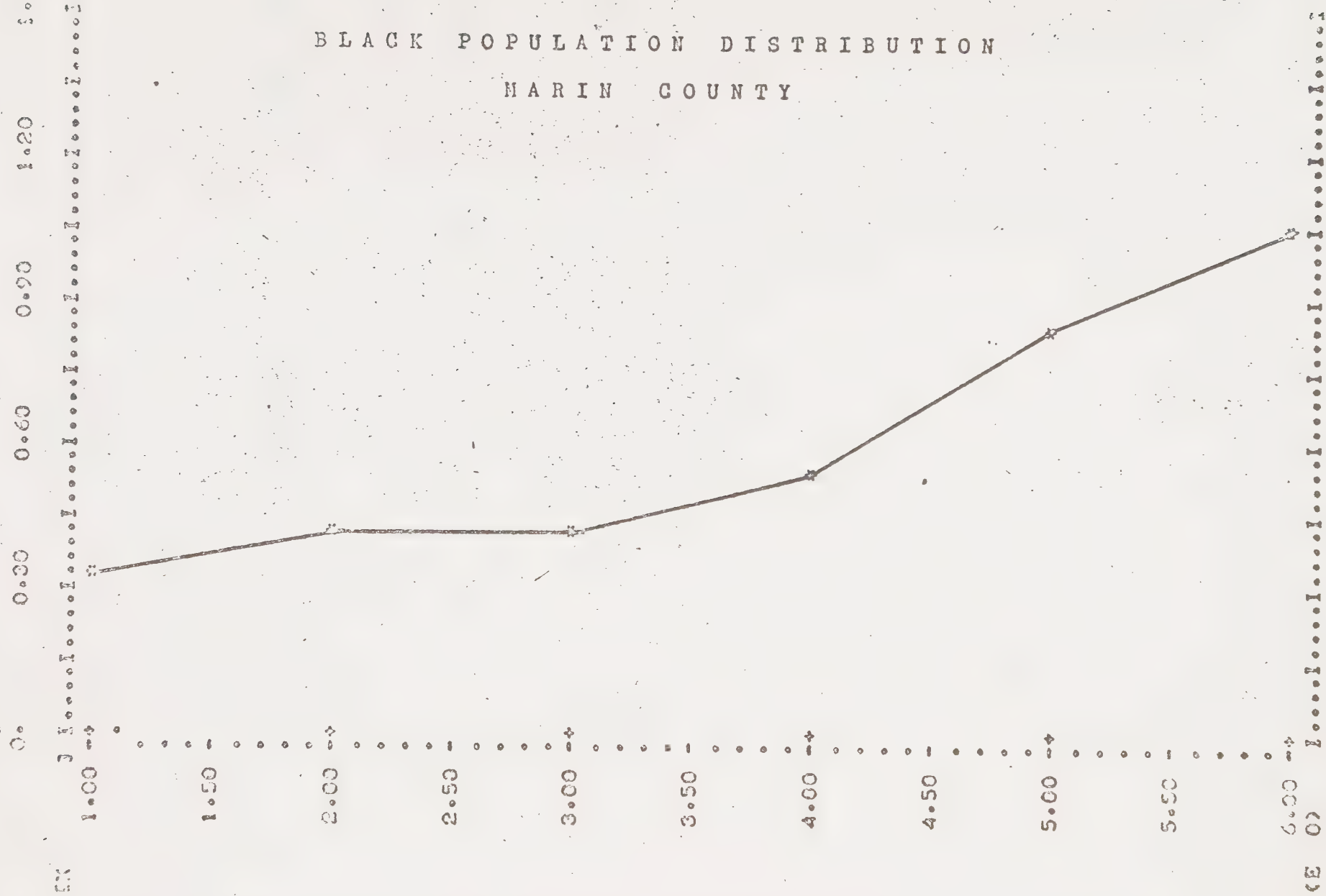


M A R I N C O U N T Y

<u>YEAR</u>	<u>BLACK POPULATION</u>	<u>TOTAL POPULATION</u>
1950	3,352	85,619
1960	4,070	148,800
1970	4,162	206,800
1980 *	5,281	261,900
1990 *	8,305	335,900
2000 *	10,402	403,300

* Population Projections

BLACK POPULATION DISTRIBUTION MARIN COUNTY



N A P A C O U N T Y

<u>YEAR</u>	<u>BLACK POPULATION</u>	<u>TOTAL POPULATION</u>
1950	408	46,603
1960	552	66,400
1970	516	79,700
1980 *	573	102,500
1990 *	587	147,300
2000 *	598	192,500

* Population Projections

POPULATION

4.00

4.40

4.80

5.20

5.60

6.00

6.40

1.00

1.40

1.80

2.20

2.60

3.00

3.40

1.50

2.00

2.50

3.00

3.50

4.00

4.50

5.00

5.50

6.00

BLACK POPULATION DISTRIBUTION NAPA COUNTY

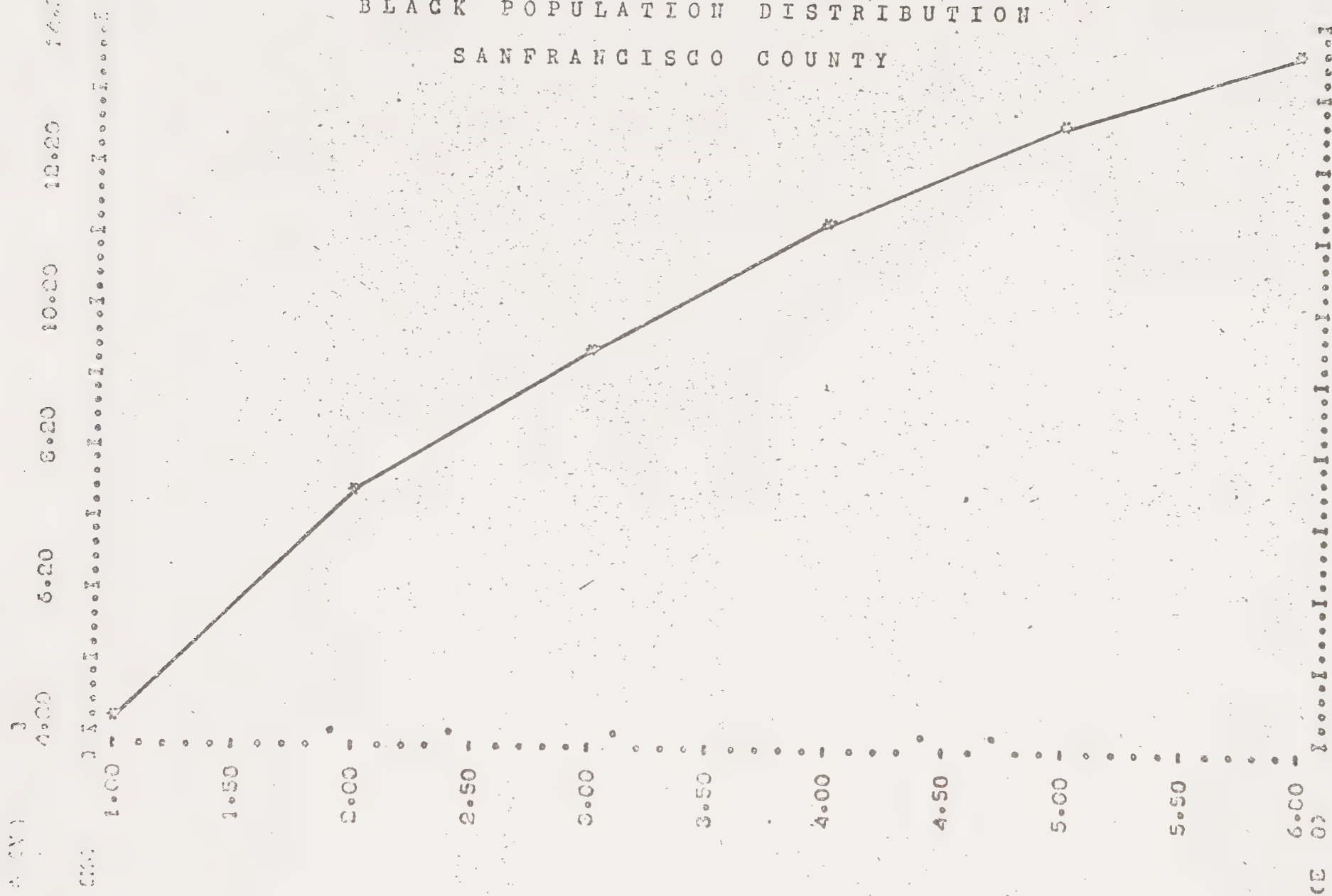
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SAN FRANCISCO COUNTY

<u>YEAR</u>	<u>BLACK POPULATION</u>	<u>TOTAL POPULATION</u>
1950	43,502	775,357
1960	74,393	741,500
1970	96,078	714,300
1980 *	113,890	721,600
1990 *	127,642	730,000
2000 *	138,817	726,300

* Population Projections

BLACK POPULATION DISTRIBUTION SAN FRANCISCO COUNTY

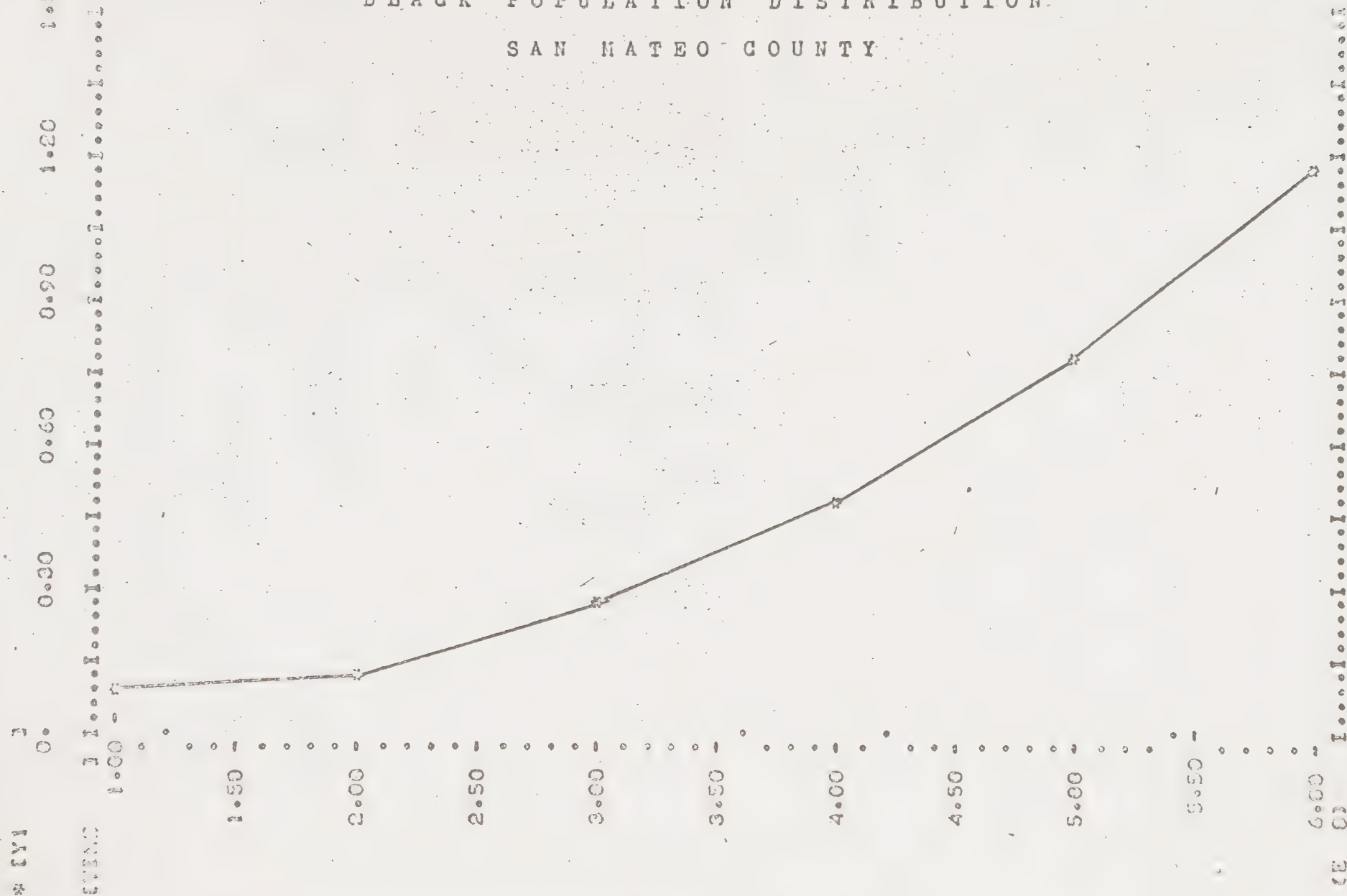


SAN MATEO COUNTY

<u>YEAR</u>	<u>BLACK POPULATION</u>	<u>TOTAL POPULATION</u>
1950	2,395	235,659
1960	10,845	449,100
1970	26,085	556,300
1980 *	48,830	613,100
1990 *	79,322	677,100
2000 *	117,909	719,400

* Population Projections

BLACK POPULATION DISTRIBUTION SAN MATEO COUNTY



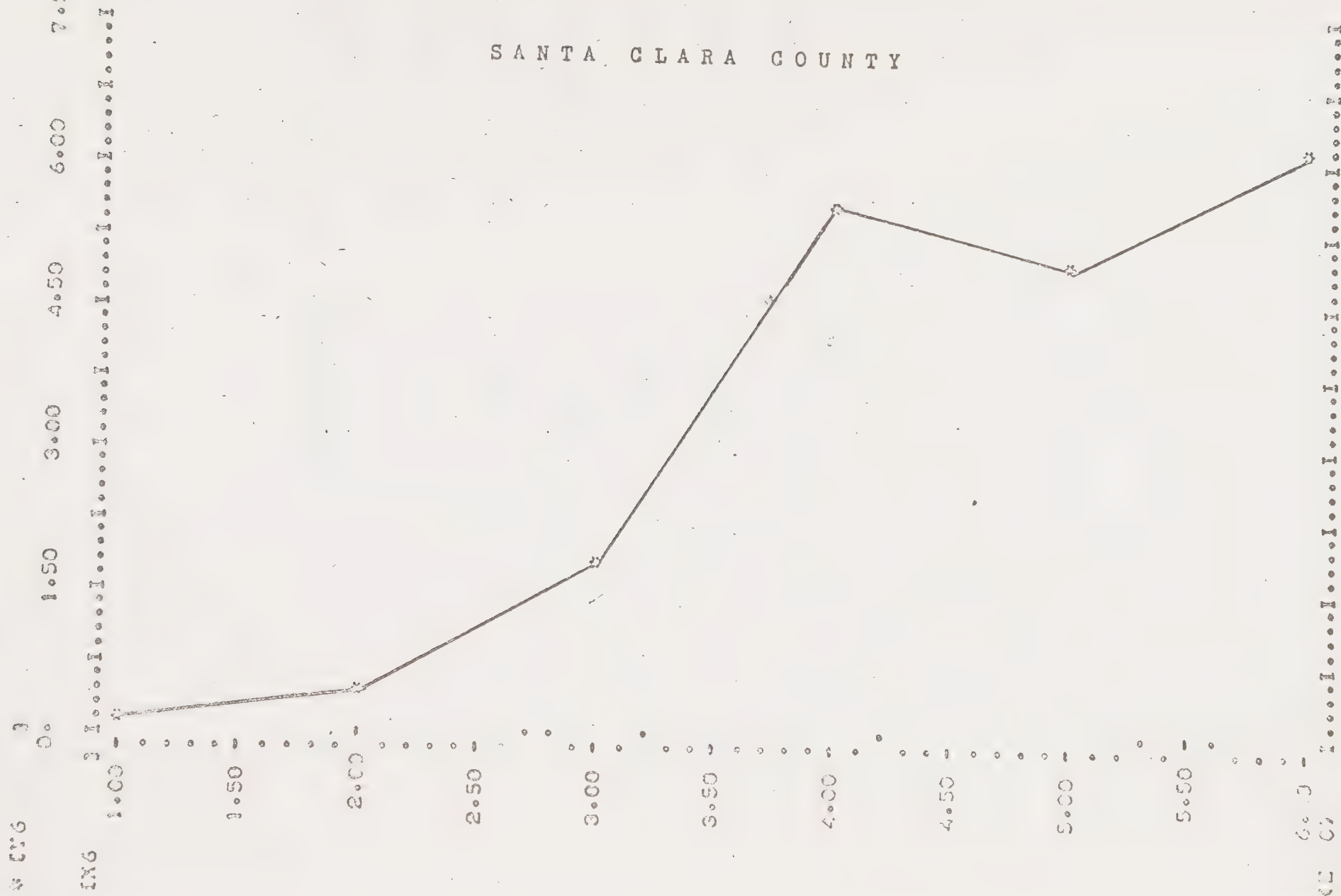
SANTA CLARA COUNTY

<u>YEAR</u>	<u>BLACK POPULATION</u>	<u>TOTAL POPULATION</u>
1950	1,794	290,547
1960	4,097	658,700
1970	18,090	1,072,600
1980 *	55,611	1,386,600
1990 *	49,480	1,760,300
2000 *	62,189	2,103,100

* Population Projections

BLACK POPULATION DISTRIBUTION

SANTA CLARA COUNTY



BLACK POPULATION DISTRIBUTION SOLANO COUNTY



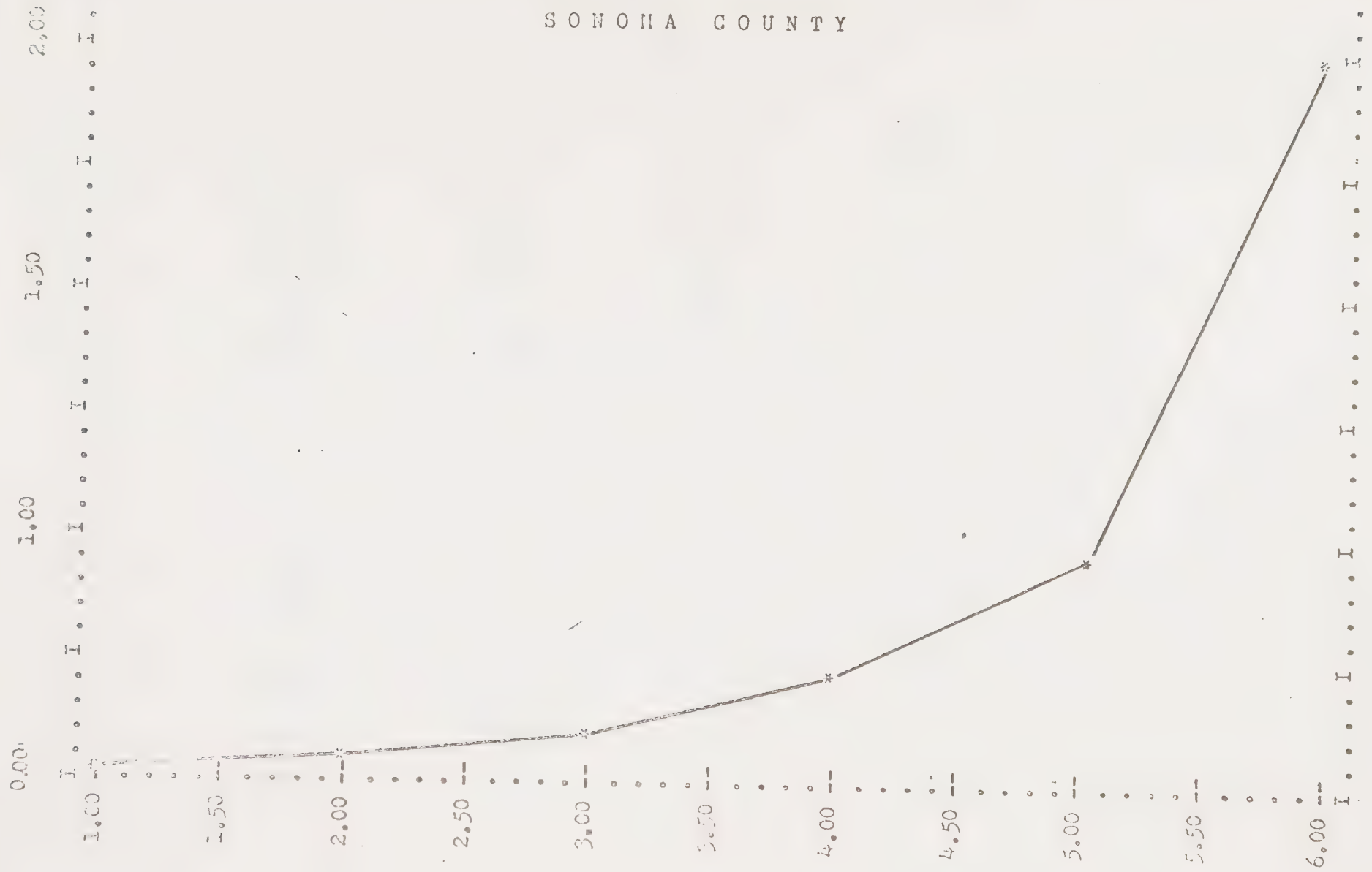
S O N O M A C O U N T Y

<u>YEAR</u>	<u>BLACK POPULATION</u>	<u>TOTAL POPULATION</u>
1950	460	103,405
1960	918	148,800
1970	2,108	205,200
1980 *	4,408	275,100
1990 *	9,436	370,500
2000 *	20,201	481,100

* Population Projections

BLACK POPULATION DISTRIBUTION

SONOMA COUNTY



TOTAL SAN FRANCISCO BAY AREA POPULATION 1950 - 2000

<u>Counties</u>	<u>1950</u>	<u>1960</u>	<u>1970</u>	<u>1980*</u>	<u>1990*</u>	<u>2000*</u>
Alameda	740,315	912,600	1,076,100	1,217,700	1,380,200	1,510,700
Contra Costa	298,984	424,000	560,700	689,100	852,400	988,700
Marin	85,619	148,800	206,800	261,900	335,900	403,300
Napa	46,603	66,400	79,700	102,500	147,300	192,500
San Francisco	775,357	741,500	714,300	721,600	730,000	726,300
San Mateo	235,659	449,100	536,300	613,100	677,100	719,400
Santa Clara	250,547	658,700	1,072,600	1,386,600	1,760,300	2,103,100
Solano	104,833	137,100	172,400	214,300	303,100	420,800
Sonoma	103,405	148,800	205,200	275,100	370,500	481,100
TOTALS.....	2,641,322	3,687,000	4,624,100	5,481,900	6,556,800	7,545,900

SAN FRANCISCO BAY AREA BLACK POPULATION 1950 - 2000

<u>Counties</u>	<u>1950</u>	<u>1960</u>	<u>1970</u>	<u>1980*</u>	<u>1990*</u>	<u>2000*</u>
Alameda	68,442	111,420	161,282	206,554	252,974	299,394
Contra Costa	22,023	25,294	41,620	53,888	74,080	101,839
Marin	3,352	4,070	4,162	5,281	8,305	10,402
Napa	408	552	516	573	587	598
San Francisco	43,502	74,393	96,078	113,890	127,642	138,817
San Mateo	2,395	10,845	26,085	48,830	79,322	117,909
Santa Clara	1,794	4,097	18,090	55,611	49,480	62,189
Solano	6,604	12,741	16,656	21,944	26,548	31,018
Sonoma	460	918	2,108	4,408	9,436	20,201
TOTALS.....	148,980	293,310	366,597	510,979	628,374	782,367

*Population Projections

The analysis of this projected population data indicates that while Alameda County's total population is predicted to increase approximately 50%, 1,076,100 to 1,510,700 by the year 2000 the Black population will increase approximately 90%, 161,282 to 299,394 for the same period with a population increase estimated at about 40,000 for each succeeding decade until the year 2000; Contra Costa County indicates the total population will almost double for the period 1970 to 2000, 560,700 to 988,700, while the Black population will more than double for the same period, from 41,620 to 101,839, the growth distribution projected is approximately 20% for the decade 1970 to 1980, approximately 40% for the decade 1980 to 1990 and approximately 33% for the decade 1990 to 2000; Marin County indicates the total population will almost double for the period 1970 to 2000, 206,800 to 403,300 while the Black population will increase almost 150% for the same period from 4,162 to 10,402, the growth percentage distribution projected is approximately 25% for the decade 1970 to 1980, 75% for the decade 1980 to 1990 and 50% for the decade 1990 to 2000; Napa County indicates the total population will more than double for the period 1970 to the year 2000, from 79,700 to 192,500, while the Black population is expected to increase approximately 20% for the same period and it is significant to note that the total Black projected population in Napa County in the year 2000 will be approximately 3% of the total population as compared to less than 1% of the total population in 1950; San Francisco County is the only county in the San Francisco Bay Area where there is expected to be a population increase for the period 1970 to 2000 that almost shows a decrease from the optimum growth projections during the period and while the projected total growth is 12,000 the Black population is expected to increase about 48%, 96,078 to 138,817, for the same period the growth percentage distribution projected is approximately 48% for the decade 1970-1980, approximately 31% for the decade 1980 to 1990 and 21% for the decade 1990 to 2000; San Mateo County indicates a total population increase of approximately 29% from 556,300 to 719,400 for the period 1970 to the year 2000 while the Black population is expected to increase approximately 4-1/2 times, from 26,085 to 117,909 for the same period and the growth percentage distribution projected is approximately 27% for the decade 1970 to 1980, approximately 32% for the decade 1980 to 1990 and approximately 41% for the decade 1990 to the year 2000; Santa Clara County indicates the total population increase will almost double for the period 1970 to 2000, from 1,072,600 to 2,103,100 while the Black population is expected to increase approximately 2-1/2 times, from 18,090 to 62,189 for the same period and the growth percentage distribution projected is approximately 75% for the decade 1970-1980, approximately a 6% decline for the decade 1980 to 1990 and approximately 25% for the decade 1990 to the year 2000. It is significant to note that almost a 200% increase is projected to

occur during the present decade, 1970-1980, and that the following decade, 1980-1990, is expected to show a decline with an upswing again in the decade 1990 to the year 2000; Solano County indicates the total population will more than double for the period 1970 to 2000, from 172,400 to 420,800, while the Black population is expected to increase almost 100 percent, from 16,656 to 31,018, and growth percentage distribution projected is approximately 35% for the decade 1970 to 1980, approximately 30% for the decade 1980 to 1990 and approximately 35% 1990 to the year 2000. Sonoma County indicates that the total population will more than double from 205,200 to 481,100 for the period 1970 to 2000 while the Black population is expected to increase approximately tenfold, from 2,108 to 20,201 for the same period and the growth percentage distribution is approximately 10% for the period 1970 to 1980, approximately 27% from 1980 to 1990 and approximately 63% from 1990 to the year 2000 AD.

SECTION V

THE BLACK POPULATION AND THE REGIONAL HOUSING ELEMENT

The rapid growth of the Black population in the San Francisco Bay Area during the World War II years was unexpected due to the emergency nature of the situation. However, Blacks migrated to the Bay Area in support of the war effort and were able to find both housing and jobs. They favored settling in the four cities although some chose adjacent communities closer to places of employment. Housing this Black labor force became a serious problem. But somehow they managed to find shelter no matter how inadequate it was. The point being made is that nothing was well planned or coordinated but instead accommodating.

The Black population in the Bay Area, in the main, is inadequately housed. They are involuntarily confined to overcrowded ghettos proliferated with substandard housing. The urban renewal programs in the four cities are hell bent on producing quantitative low and moderate income housing in designated areas that will further impact the already segregated and disadvantaged communities. Black middle income families in the cities have limited choice in the selection of housing as they must choose from the abandoned housing stock of whites fleeing to the suburbs.

Even though racial discrimination in the rental and sale of housing is illegal, economic discrimination is widely practiced in the Bay Area. The Blacks and other minority groups are the victims of this action. With no housing opportunities outside the cities available to Black low and moderate income families, the cities are forced to provide them with either public housing or subsidized housing. The far reaching ramifications of this action has created a financial burden on the cities which, if it continues, will most probably force them into bankruptcy.

The Black population, especially the low and moderate income families, are unduly suffering because of the absence of a regional housing element which would provide a distribution of low and moderate income families throughout the region. Such a housing element should relieve the existing pressures on the deteriorating cities and would eventually provide for a safe and sanitary home for all families in the region. The socioeconomic problems in our four cities are not problems caused solely by the cities and are related to all phases of suburban growth. If the majority of the Bay Area's Black population

chooses to remain in the cities, the regional housing element should take this into account and provide for it and also provide, at the same time, housing opportunities for those who choose to live outside the cities.

Thus far, we have not been able to deal with the existing housing crisis in the Bay Area region. If the Black population projections mentioned in this report become a reality and that population reaches over 700,000 by the year 2000, the region's housing dilemma will be even more monstrous than our wildest predictions. A systematic plan for development to keep pace with the population increase will best serve the Black population. It would insure adequate schools, employment, community services, housing, transportation and other amenities so desperately needed by the region's Black populace.

New Communities in the Bay Area:

The Image is the Message

Chester C. McGuire, Jr.

Presented to the Association of Bay Area Government's

Regional Housing Task Force

Berkeley, California, July 7-8, 1972

Almost one year ago the report New Communities in the Bay Area was submitted to the Association of Bay Area Governments as a contribution to the region's housing element.¹ Since that time the report has been disseminated to planners and other interested groups for review. The purpose of this paper is to review the findings, conclusions and recommendations of that study and also consider the subject of new communities in light of the changes during the year since it was completed.

The principle conclusion of the new communities study was that realistically there was not much hope that new towns on the model of Columbia, Maryland and Reston, Virginia would be built in the Bay Area in the foreseeable future. In addition to the normal problems facing new town developers in the Bay Area there are not many sites which are large enough and without limitations (such as excessive slopes, soil instability or ecological hazards) within reasonable commuting distance of the central cities. Nevertheless there remain valid reasons for considering the possible opportunities which would foster the creation of new communities in the Bay Area. Also the concept of planning and building new communities could reasonably be expanded to include many of the Bay Area's rapidly growing towns, which are defacto new communities.

What is a New Town?

There is no unanimity as to just what constitutes a new town or new community. It is not unusual today to see a subdivision of a few hundred acres being proudly proclaimed by its developer as a new town. However the image of a new town is frequently that of a gleaming national capital such as Brasilia, or Chandigarh or a modern suburban satellite town such as Columbia, Maryland.

A working definition of a new town or new community (there being little real distinction between the two terms) would be as follows:

. . . . a residential area that comes to hold a substantial number of people in a relatively brief time. Beyond this it should have shopping and employment to match its population: it should be a distinct focus of urbanization, somewhat separated from other urbanized areas; its development should be socially integrated: it should follow certain design criteria such as separation of traffic and sub-nucleation into neighborhoods or communities.²

It is important to note that one of the important features of a new town is that it be rapidly growing. A rapid rate of growth would be a doubling of population every ten years, or a compounded rate of seven percent per annum. In addition we usually think of the new town as a planned community whose growth is orderly and in accordance with a comprehensive general plan. The image of the new towns is as an idyllic place where the automobile is in harness with ample facilities for the upbringing of children.

The Various Kinds of New Towns

If we exclude the very specialized kinds of new towns such as state capitals, resorts and communes what remains can be categorized within five general types.

Independent New Town. This community is not necessarily in an existing urbanized area. It is often the consequence of the installation of a large industrial plant or military installation. Of the latter Los Alamos, New Mexico and Fort Knox, Kentucky are examples. Of the former there are the many recently built mining towns in Canada such as Kitimat, British Colombia, and in the United States Kingsport, Tennessee.

In-filling New Town. It is not unusual to find large urban land areas which have been by-passed by residential development. Conspicuous examples are land set aside for military reservations, penal institutions, parks, agricultural uses, mining or quarrying. In addition to the above new land is often created on areas in use as disposal sites for solid wastes. When for a variety of economic or political reasons such land comes onto the market it may be of sufficient size to consider the creation of a new residential community. Within the Bay Area the substantial acreage now devoted to salt production very aptly fits this description. It is important to note that this kind of opportunity lies within an existing market area, where there already exists a strong demand for new homes.

Satellite New Town. The satellite new town would lie outside the present densely urbanized area, probably separated by an agricultural green-belt. It differs from the independent new town since it does not have its own economic base. It also differs from the in-filling new town since it is not within the center of an existing housing market area, but some distance away at the fringes. The American new towns, Columbia, Maryland and Reston, Virginia, are the prototypes of the modern suburban satellite new community.

New Town in Town. Within some central cities it is possible to conceive of a new town in town. For this concept to become a reality there would have to be substantial acreage available. A military base, park or obsolete railroad facilities might provide such reusable land. However for it to be a true new town the acreage would have to be large enough for the area to have its own identity, as well as all the other physical elements that we associate with new town planning. Unfortunately the term "new town" has been used much too

glibly to identify almost any urban renewal project.

De facto New Town. In contrast to the planned new communities there are numerous rapidly growing urban places which are new towns in fact, if not in name. They are usually not considered new towns in planning circles for two reasons: they are not elaborately planned (if at all) and they are not under the monopoly control of a single developer (either public or private).

New Towns in Perspective

In order to put the subject of new communities in a proper perspective we should look briefly at the American experience, as well as at certain aspects of European new town building. Much of our present image of new towns stems from Europe, especially the Post World War II experiences of Britain and Scandinavia.

The United States has been a prolific new town builder. Remember that in one sense all towns were once new. The western portions of this nation were settled with new towns, many being built by the railroads, trading companies and the military. Numerous new towns were built by industrial firms, such as Gary Indiana at the turn of this century by the United States Steel Company. There was a period before the Depression when several new towns were being promoted and developed by Clarence Stein. More recently there has been somewhat of a revival in new town building, beginning with Reston, Virginia in the early 1960's.

The United States cannot really be considered a neophyte in new town building, no matter how much some of the literature seems to point in this direction. But what is apparent is that the American experience differs significantly from that of the Europeans in building new communities. In some countries it

has become national policy that growth be accomodated in planned new settlements. Accordingly the state has intervned in the development process. This is certainly not the case in the United States where housing development is almost entirely private.

Yet the most important difference between the European development of new communities and that of the United States is probably not so much in the government assistance given to new communities. The most significance difference is that Europe is still in the midst of a crushing housing shortage. Housing choice is severely restricted. This means that the European new towns do not have to meet a test of market acceptability. How rapidly the Europeans new towns would grow in the absense of these severe shortages is something we will probably never know.

In the United States the new town must meet the test of market acceptance. The severity of competition in the housing sector has caused much anguish among existing and potential new town developers. The new town developer, whether public or private, is in competition with every homebuilder in the area. And this brings up two very interesting questions. First of all, what is so different about a new town? And second, what would you do differently in a new town that you wouldn't do in any well laid out subdivision? In order to answer these questions we have to go back to the basic definitions of the new towns -- what are they and why are they?

The New Town as Symbol

When one looks about at the physical form that urban growth has taken in the Post World War II years it is not hard to point to areas of much abuse. The unplanned sprawl has brought with it numerous imbalances. Houses have

been built on earthquake zones, on hazzardous hillsides and on ecologically fragile areas, just to name a few of the many kinds of developmental mistakes. On the social side our central cities have been required to be the haven, and even repository, for the region's poor while many communities have erected barriers to effectively exclude minorities and the poor.

Our vision of the new town is one in which these abuses and imbalances no longer exist. The new town is the place where sprawl is absent; where development occurs in a logical planned manner; where there are adequate community facilities which induce more human interaction; where there is a balanced transportation and traffic system which encourages alternatives to the private auto. Our image of the new town is one of social justice where there is a wholesome mix and range of people: there are the poor and the affluent and "black and white together."

This image of the new town, while idyllic and oversimplified, does have some factual basis. There are some new communities that appear to come close to this image. Most modern new towns are extremely well planned from a physical design standpoint. Reston, Virginia comes to mind as a prototype of the well designed modern new town. There are clusters of villages, a town center (in the European style), pedestrian paths and areas set aside for commerce and industry. On the social side of the new towns do appear to be more receptive to minorities. A recent study of planned communities showed that they were more likely to have larger numbers of minority families than the average suburban community.³ This may result in part from the fact that larger percentages of new town residents are college graduates and probably more liberal regarding racial integration. However, part is probably due to efforts of the developers whereby racial integration had been explicitly considered in the planning.

Columbia, Maryland is also apparently moving ahead on its plans to provide some moderate income subsidized housing. This will give the new community a wider income distribution. However, it may be unrealistic to assume that the very poor will be accommodated in these new towns.

Our image of the new town is significantly different from our image of the typical suburban community, and vastly different from our image of the central city neighborhood. Our urban settlements have many deficiencies, which cannot be enumerated here. However if we hold up our existing communities to the new town image for comparison we can see that the major differences appear to be the amount of physical planning and commitment to an ideal of social justice. What does tend to distinguish the new town from the ordinary town is that the new town stresses a high level of urban design. It gives assurances to prospective homeowners that the physical amenities (such as parks and open space) will not be threatened by uncontrolled or unplanned growth. Also the new town projects an image of social commitment that promises to be upheld and for which future generations will be the beneficiaries.

When it comes to new towns, "the image is the message." This is why new towns have such a profound fascination for planners and architects. The new town is to planners what "being born again" is to a Baptist preacher -- a second chance, redemption, to live a new life unencumbered by sins of the past. Certainly in building a new town we would try to avoid the costly mistakes, and even sins, we made in building the old ones.

Our Unplanned New Towns

Although we are not producing many new towns in our neo-classical mold, we are in the process of developing, whether we like it or not, numerous de facto new communities. As a part of the earlier definition of a new community these

rapidly growing urban places were included. They differ in some ways from our image of the new town. For one, they are developing as unplanned communities. The only apparent planning is that done by the subdivision developer or forced upon him by the local planning agency. Also these communities are being developed under pluralistic control rather than the control of a monopolist.

In the report New Communities in the Bay Area a total of 33 such de facto new towns were identified. These communities were all characterized by extremely rapid rates of growth. Their aggregate increase in population for the past decade was 94.2 percent. Their population increased by more than one million, which accounted for more than half of the growth of the Bay Area during the last decade. During the next decade these communities, and others like them will account for at least as high a proportion of the region's growth. Therefore these communities must be given special attention in the preparation of regional housing elements. It is a theme in this paper, as well as the report of one year ago, that these communities be considered as new towns for planning purposes.

None of these 33 new communities has escaped the severe problems which accompany rapid growth. Pleasanton, whose population increased by 336 percent between 1960 and 1970 and Livermore, which experienced a growth of 174 percent have recently had to curtail building activity because the housing demand had outstripped the communities' ability to provide essential services. Also there are burdens placed on school facilities and other public services. In the rush to provide private commercial services to accomodate the new residents more sprawl develops, depleting open spaces and prime agricultural lands. One does not have to look very hard to see the need for more comprehensive planning and development controls at the local level.

While the problems of these communities proliferate we seem to ignore one potential source of assistance, Title VII of the New Communities Act of 1970. To date Title VII has been used exclusively to grant assistance to new towns in the neo-classical mold, the planned community under monopoly control. Even for these the pace of approvals has been exceedingly slow. To date only six applications have been approved for the entire nation. There have been no approvals for the Bay Area. At this time there is only one serious application in progress.⁴

The language of Title VII does not rule out the possibility that existing communities might qualify. Therefore it would be worthwhile for ABAG to assist some of our de facto new communities in the Bay Area in preparing an application for Title VII assistance. For public developers Title VII provides special planning assistance funds and special grants for the provision of community services. The communities could use these funds to provide an increased range of public services and to strengthen their local planning efforts. Public and/or private developers could utilize the guarantees to build housing in a staged and orderly manner to meet the strong demand for new housing in these communities.

Title VII assistance does not come without its strings. In order to qualify a community would have to be committed to a policy of non-discrimination in housing. It would also have to provide for some measure of low and/or moderate income housing. This means that such a designated community could not engage in exclusionary practices, even covertly. However, this may not be an insurmountable obstacle. First, many of these communities are in desperate straits, being unable to cope with the attendant problems of rapid growth. And second, many of these communities have already experienced significant increases in their minority populations. Each of the 33 communities experienced a gain in the

percentage of nonwhites in its population. This trend is likely to continue as more and more nonwhites move to the suburbs.

The Prospect for New Communities in the Bay Area

Within the coming decade it is not likely that many new towns in the neo-classical mold, i.e., Columbia and Reston, will be built in the Bay Area. The financial obstacles faced by a new town developer are so formidable that even with Title VII assistance it is an extremely difficult endeavor. In order for the typical new town to succeed it must be in the midst of an expanding market area, not too distant from the centers of established activity. It also requires substantial acreage (at least 5,000 acres) at a reasonable cost. The unique geographic features of the Bay Area almost preclude new town consideration because it is so difficult to find any sites which meet the two above requirements. Most large sites are either too far away from the centers of activity or are unsuitable because of topography, seismic conditions or ecological consideration.

The basic problem with sites which are distant from the existing centers is that the housing demand will be insufficient. An examination of new towns throughout the United States which have either been built or are seriously proposed reveals that they are without exception within 25 miles of the central city. For instance Columbia is only 12 miles outside Washington, D.C. If 25 mile radii are drawn from the central cities, San Francisco, Oakland and San Jose, it becomes apparent that there are few large sites which can be found within these areas. What one will see from such an overlay is that the Bay Area's most unique features, the Bay itself and the mountain ranges consume most of the close in land. The relatively level sites suitable for large scale new building occur far beyond the 25 mile radii. At the present time market

conditions are probably not sufficient to support satellite new communities that far from the existing urban centers.

Within the 25 mile radii there are four areas which may be technically acceptable sites for new communities. The most prominent location for new communities are the bayshore lands which are currently in salt production. At present the Leslie Salt Company owns more than 50,000 acres of these lands, most of which is marshes above the mean high tides. It was on such land that Foster City was built, and on which Redwood Shores is now being constructed. The second prominent site is San Bruno Mountain located just south of San Francisco. The third is the area known as Half Moon Bay. The fourth is the coastal side of San Mateo County.

These sites may all be technically acceptable for new communities. With the exception of Half Moon Bay, the sites pose some ecological problems. It is beyond the scope of this paper to go into the specific ecological considerations for development of these areas. But these are serious issues which will effect whether or not these areas are ever intensively developed as residential communities. However, if residential development is to occur in these areas then it should be well planned and, hopefully, developed into the kind of new communities which may serve as examples for the direction of growth in the region. It is quite probable that some part of the Leslie Salt bayshore properties will be developed for residential use in the future. The same situation applies regarding southern San Mateo County. If the development proceeds at some time in the future then the opportunity to build well planned balanced new communities should not be lost.

It is conceivable that another opportunity for a new town may present itself if a fourth regional airport is created. Over the years there has been

much speculation that Travis Air Force Base might be converted to civilian use.

A new regional airport would provide directly and indirectly thousands of new jobs. This would certainly provide the impetus and opportunity for a free standing new town. But realistically this prospect does not seem imminent in this decade.⁵

While there may be a few opportunities to build new communities based on the prototypes of Columbia and Reston there will be numerous opportunities to assist the de facto new communities where the bulk of region's growth is occurring. ABAG should take the initiative in this direction. We must recognize, however, that HUD in Washington must also recognize that these rapidly growing de facto new communities deserve at least as much "love and care" as the showpiece new towns currently occupying their attention. The same can be said of our central city neighborhoods, which could benefit by the kinds of attention to planning details which are so much a part of the comprehensive planning approach for new towns.

Earlier I asked two rhetorical questions: What is so different about a new town? What would you do differently in a new town that you wouldn't do in a large well laid out subdivision? The answer has something to do with image. Our image of the new town includes not just the physical design but a positive image of the quality of life. If we could but transfer this kind of thinking toward the planning of our "old and ordinary" communities we will have made a significant contribution toward improving the quality of urban life.

Footnote

1. William Alonso and Chester McGuire, New Communities in the Bay Area, Association of Bay Area Government, Berkeley, California, September 1971.
2. *ibid*, page 5
3. J. Lansing, R. Marans, R. Zehner, Planned Residential Environments, Institute for Social Research, Ann Arbor, Michigan, 1970.
4. The Regional Office of HUD in San Francisco, had only one "serious" pre-application. This was for development at San Bruno Mountain, South of San Francisco in San Mateo County.
5. A recent ABAG study has tended to rule out the immediate prospect of a fourth airport. However it does not rule out the possibility of joint civilian/military use of Travis Air Force Base.

DEVELOPING COMMUNITIES IN THE BAY AREA, 1960-1970

	Population		1960-1970 change		Percent non-white	
	1960	1970	numerical	percent	1960	1970
ALAMEDA						
Fremont	43,790	100,869	57,079	130.3	1.7	3.2
Hayward	72,700	93,058	20,358	28.0	1.5	6.2
Livermore	16,058	37,703	21,645	134.8	1.7	2.9
Newark	9,884	27,153	17,269	174.7	2.3	5.4
Pleasanton	4,203	18,328	14,125	336.1	0.5	2.0
Union City	6,618	14,724	8,106	122.5	3.7	6.6
CONTRA COSTA						
Concord	36,208	85,164	48,956	135.2	1.0	2.1
Lafayette	7,114	20,484	13,370	187.9	0.4	1.0
Martinez	9,604	16,506	6,902	71.9	1.5	3.9
Pinole	6,064	15,850	9,786	161.4	0.6	3.3
Walnut Creek	9,903	39,844	29,941	302.3	1.6	1.9
MARIN						
Larkspur	5,710	10,487	4,777	83.7	0.7	1.2
Novato	17,881	31,006	13,125	73.4	4.3	5.0
San Rafael	20,460	38,977	18,517	90.5	0.9	2.5
SAN MATEO						
Daly City	44,791	66,922	22,131	49.4	2.6	13.3
Half Moon Bay	1,957	4,023	2,066	105.6	2.6	2.9
Pacifica	20,995	36,020	15,025	71.6	1.1	5.5
SANTA CLARA						
Campbell	11,863	24,770	12,907	108.8	1.7	3.4
Cupertino	3,664	18,216	14,552	397.2	4.9	3.6
Gilroy	7,348	12,665	5,317	72.4	2.7	6.4
Los Altos Hills	3,412	6,865	3,453	101.2	0.7	2.0
Los Gatos	9,036	23,735	14,699	162.7	0.8	1.7
Milpitas	6,572	27,149	20,577	313.1	6.0	10.8
Monte Sereno	1,506	3,089	1,583	105.1	1.1	2.0
Morgan Hill	3,151	6,485	3,334	105.8	3.4	5.9
Mountain View	30,889	51,092	20,203	65.4	3.9	7.8
Santa Clara	58,880	87,717	28,837	49.0	1.7	4.6
Saratoga	14,861	27,110	12,249	82.4	0.9	2.1
Sunnyvale	52,898	95,408	42,510	80.4	1.7	5.4

	Population		1960-1970 change		Percent non-white	
	1960	1970	numerical	percent	1960	1970
SOLANO						
Fairfield	14,968	44,146	29,178	194.9	5.3	12.4
Vacaville	10,898	21,690	10,792	99.0	2.5	7.1
SONOMA						
Petaluma	14,035	24,870	10,835	77.2	0.8	2.2
Santa Rosa	31,027	50,006	18,979	61.2	1.1	2.5
Total, Developing Communities	608,948	1,182,131	573,183	94.2	1.7*	3.5*
Total, 9-County Bay Area	3,638,939	4,628,199	989,260	27.2	10.2	13.6
Developing Communities as percent of the Bay Area	16.7	25.6	58.0			

SOURCE:

Adapted from Bay Area '70 Census Series, San Francisco Bay Area Council, San Francisco, 1970. This publication is based on first census counts, and therefore is subject to change and adjustment on later counts. Thus, there is an inconsistency in the reported growth of Lafayette between this publication and the U.S. Census publication PC(VI)-6.

*Median.

THE PRIVATE ROLE IN A REGIONAL HOUSING PLAN

Prepared for:

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Over the past ten years the number of government subsidized units built in the San Francisco Bay Area for low- and moderate-income people has been extremely limited, despite a growing need for many more housing units for these income groups. In fact, the situation is typical of conditions in metropolitan areas throughout the country. Now that the need for urban area housing strategies is more clear, it is equally plain that any planning for housing that has taken place has concentrated on the central cities. The federal government has come to the point of emphasizing the view that inner-city housing problems can best be solved regionally. Reflecting this perspective, metropolitan area plans are now being developed and in some cases tested throughout the country. The plans necessarily address the needs of all elements of the population.

At the start of the HUD-supported housing efforts for lower income groups within the past decade, private participation came primarily from churches and unions acting as project sponsors. Because of their lack of experience in housing, technical assistance was made available to them -- primarily by foundations that are concerned with unresolved social and economic problems. Later, as profit-oriented groups have become participants in housing projects, it has been as the result of investor incentives that have combined tax-writeoffs and eventual profit through capital gain and equity build-up.

Until quite recently the private interest has been expressed as groups of individuals and single corporations have become general partners in the housing projects. The ability of these parties to provide broad-gauged technical assistance has been extremely limited. However, during the past four years opportunities for additional assistance in housing by corporations, utilities, labor unions and financial interests have grown -- primarily as a result of the work of the Corporation for Housing Partnerships, a semi-public national vehicle that encourages risk investment in housing. Again based on the tax write-off and capital gains incentives, the Corporation has been able to multiply capital made available by the private sector many times over, and to provide technical assistance to housing sponsors. Very little of this support has been devoted to Bay Area housing.

Now other new institutional formats are taking shape that also combine public and private capabilities and resources at regional and local levels in several parts of the country. In a number of metropolitan areas, for example, federal agency and private foundation support has been combined to provide the initial assistance needed to get these entities under way.

An interesting experiment that is related to the major new thrusts in areawide housing policy is now in its second stage of development in the Bay Area. The primary support is from HUD and the Ford

Foundation, and recent Federal Home Loan Bank Board initiatives are also important to the experiment.

The project is a home ownership model that is demonstrating direct assistance to individual families throughout the metropolitan area. The program is being managed by the San Francisco Development Fund. The element of most interest here is the input of a consortium of twenty-two Northern California savings and loan associations -- an innovative financial support mechanism resulting from the Home Loan Bank Board leadership.

Under the new Home Loan Bank authority, S&Ls can devote up to 1% of their assets to subsidiary service corporations devoted to the needs of low- and moderate-income groups. The existing Bay Area service corporation whose approach is under review here is called SAMCO. HUD and the Ford Foundation are committed to five hundred Sec. 235 home loans, in the program referred to above. SAMCO has agreed to write one hundred of these 235 loans. In meeting its commitment, SAMCO has created and will create a series of loan pools, with its twenty-two member corporations owning equal shares in each loan pool. The consortium retains title to the FHA-insured loans on the housing -- located in south and east bay communities, in San Francisco, Vallejo and Monterey.

This format is one of four that can be followed under the new Federal Home Loan Bank Board authority. In the Bay Area instance, the new financing consortium makes construction loans. It is also possible, however, for a service corporation to make permanent home loans, or to participate in the housing as a joint-venture developer, or to take on the complete developer or sponsor role. Examples of all these approaches exist in other metropolitan areas, with varying measures of technical assistance being provided by the financial institutions involved.

In other formulations, it is possible for private corporations to offer technical assistance to help in developing housing, without having any financial interest. In San Jose, for example, a group of corporations have assigned representatives to the board of directors of the non-profit San Marcos Foundation, which is dedicated to developing and operating projects of 100 and 200 units in a 50-mile radius of San Jose. The Mid-Peninsula Urban Coalition is taking similar action, with corporate involvement.

While some essentially pilot efforts have been made, then, very little housing for low- and moderate-income groups is being built outside the central cities in the Bay Area. New HUD policies, however, are emphasizing dispersal of this kind of housing here and in other metropolitan areas to where the major growth in jobs is taking place. Contrast the lack of housing for workers with the fact that in San Francisco

a substantial percentage of the work force has been moved to the suburbs as a result of policies of business and industry. And with the fact that moves from the central cities will continue as other metropolitan-area communities continue to offer tax write-offs, lower interest rates, industrial development bonds and other incentives to corporations.

If private corporations were to look for institutional mechanisms through which they can provide seed money and technical assistance to promote housing, this is probably to be found in one of the many Housing Development Corporation variations that have come into being during recent years. At least two citywide Housing Development Corporations (HDCs) have been proposed for San Francisco -- one focusing on the needs of low-income groups and one on those of middle-income groups.

In other parts of the country other HDC formats have been invented. Those mentioned here will emphasize private involvement and areawide planning aspects. One example of an instance where private interests are participating in an areawide housing plan is in Pittsburgh, Pennsylvania. In 1957 representative civic, philanthropic and business leaders met in the Allegheny Conference on Community Development. After a creative period of exchange with labor and neighborhood leaders, the group moved forward to organize ACTION-Housing Inc., a private,

non-profit agency whose main goal is to "make good housing available in good neighborhoods for the people of Pittsburgh and Allegheny County."

In the years since its formation, ACTION-Housing has sponsored the production of new sale and rental housing valued at more than \$46.5 million and has taken an active role in obtaining permanent mortgage financing under the 235 and 236 programs. In addition, \$4.1 million more is committed to projects that are now in the advanced planning and processing stages, and 2,700 units of rehabilitated housing have also been produced. A spin-off organization is the Allegheny Housing Rehabilitation Corporation -- a limited profit consortium of forty companies. These companies have committed \$2.5 million in common stock debentures, to finance housing rehabilitation. AHRCO had an initial goal of 1,000 rehabilitated units of housing per year, and that goal has now been reached.

A more recent effort in the same direction is going forward in the St. Louis metropolitan region. Under initial sponsorship of the Danforth Foundation, thirty major corporations have taken initial steps towards organizing to provide funds that will help to meet the regional housing needs. Over the past year a series of conferences have been held, and as a result corporate participants have recommended that a coalition non-profit corporation should be formed, involving business interests. The areawide leaders see the proposed corporation as the proper agency to

raise private equity capital and to administer housing development in accordance with an accepted regional plan that encompasses programs for mass transportation, education and municipal services.

An essential basis for this interest is their conviction that "housing opportunities for workers of all income levels should be made available close to job locations" throughout the metropolitan area.

But perhaps the most interesting private sector format for area-wide planning that includes housing is taking place in the Greater Hartford metropolitan area in Connecticut. The initial work began in February 1969 when a range of private interests reached the decision to form a new, regionwide comprehensive planning entity. To be called The Greater Hartford Corporation, the new agency intends "to engage in community development in cooperation with local, state and federal agencies and the several populations of the area." After four months of planning work the Corporation began a detailed research program. It has now gone considerably farther in its plans to develop a system through which business interests in the area can contribute to the publicly-supported planning process. The initial incorporators include twenty-seven officials representing manufacturers, insurance companies, banks and utilities. They have entered into a close working relationship with a consulting group whose members were instrumental in planning, developing and financing the new town at Columbia, Maryland.

The new Greater Hartford Corporation was the first of three interacting planning and financing entities. The second of these is called the Greater Hartford Process, Inc. and the third the Greater Hartford Development Company -- a profit-oriented firm. Board members of all three have met steadily during the past three years,

The Greater Hartford interests have now gone a good distance in developing a conceptual approach and articulating plans and programs that include housing. The twenty-seven companies have agreed to contribute up to \$1 million per year for each of the next seven years, for more detailed planning geared towards implementation.

The first ingredients of an areawide developmental program have therefore now been laid out. The plan takes into account problems very similar to those of other metropolitan areas, including those of the Bay Area. As funds are raised by Hartford Process, the spin-off developmental firm intends to act as the investment arm of the corporate group.

It will realize profits from land sales and from contracting for development of projects that are proposed by Greater Hartford Process. As the development corporation builds strength, it is intended that contributory support will lessen. By present estimates in Hartford the developmental group will be able to support the planning effort from profit within five to seven years. An implication throughout the plans is that the private sector will continue to be a major factor as federal support of the areawide planning

effort comes into play -- perhaps particularly as related to housing.

The Hartford planners reflect the new emphasis on direct subsidies to householders rather than to housing project sponsors. They believe that it will be possible to make major inroads on an area's housing production goals using the direct subsidy approach over the next ten years. They have worked out detailed approaches along these lines, involving state and federal support systems and bond programs. "After developing an equitable support formula and securing agreement of the regional agencies," says the initial Hartford report, "the primary task will be to produce low- and moderate-income housing throughout the region."

To get to this point, Hartford Process will "work with the regional agencies to help them develop the rationale and formula for the program; assist in a region-wide educational effort regarding the virtues of the program; and work with federal and state agencies on development of incentives and special subsidies to relieve any burdens that the allocation program might impose on towns."

While this is going on, it is planned that the new areawide developmental company and other developers will purchase sites and produce housing. The intent is that supportive grants to towns will come from the state, and secondarily from the banking and building industries. The state, however, must take the lead, say the new planning studies being used as a basis for the next stage of work. The state will request

use of the region's future 235 and 236 allocation, to combine with funds that it will allocate to the regional program, on a demonstration basis.

In Hartford the direct loan idea is part of the philosophy. What is proposed is that direct loans will be made by the government -- interest-free for the first few years. Each loan will be related to a specific mortgage and a specific piece of property, and will become a second lien. "The difference between what the purchaser can afford to pay for a conventional first mortgage and what he would have to pay under terms of an open-market situation will determine the size of the loan," says the Hartford plan.

Under this proposal, \$6-\$12,000 per year families would be able to buy housing in the \$25,000 range. The bank will secure the second mortgage, which will be financed by a federal grant or by sale of state bonds covering principal "and in certain conditions, eight years of interest payments." This is all presently in the proposal stage. But in circulating this plan, the privately operated Hartford Process looks to an opportunity to assist families who can afford to put up minimal equity, and who will be made eligible for loans up to two-and-a-half times income. It is anticipated in Hartford that "all activities required by this program will be carried out by existing financial institutions, for a fee. Participating banks will be certified by the state or by HUD." No major administrative machinery is anticipated. The following analysis

was prepared by Hartford Process:

Direct Loan Program and Normal Market Operation
for Single Family Home Buyers

Normal Market Operation

<u>Unit Value</u>	<u>Mortgage</u>	<u>Equity</u>	<u>Annual Mortgage Payment</u>	<u>Maintenance and Utilities</u>
\$25,000	\$22,500	\$2,500	\$1,990	\$700
<hr/>				
<u>Tax</u>	<u>Annual Cost</u>	<u>Monthly Cost</u>		
\$800	\$3,490	\$290		

Income required \$13,920: assuming not more than 25 percent should be spent on housing.

Average Government Direct Loan Program

<u>Unit Value</u>	<u>Gov't Loan</u>	<u>Conventional Mortgage</u>	<u>Equity</u>	<u>Annual Mortgage Payment</u>
\$25,000	\$13,300	\$10,700	\$1,000	\$948
<hr/>				
<u>Maintenance and Utilities</u>	<u>Tax</u>	<u>Annual Cost</u>	<u>Monthly Cost</u>	
\$700	\$800	\$2,448	\$204	

Income required \$9,800: assuming not more than 25 percent should be spent on housing.

The average equity required is cut more than 50% and the monthly payment is reduced by nearly 30%, according to the Hartford Process planners.

Principal on the second mortgage would not be paid until sale of the unit. Accumulated interest would also be payable at the time of sale, if the sales price were high enough to permit repayment as well as a reasonable return on the homeowners' equity. The program could also be designed to encourage long-term occupancy, high levels of home maintenance, and to preclude windfall profits. This is all spelled out in the Hartford Process plans.

"The government's liability would be reduced after the first eight years, by refinancing the mortgages so that the maximum possible first mortgage would be utilized. The maximum mortgage payment would at no time exceed, with all other housing costs, 25% of annual income," says Hartford Process. It is estimated that average occupancy in units financed by this program would be eight years. Given such turnover, there would be a continued rise in housing values. In the event that this were a state program it can have important impact on region-wide housing, Greater Hartford Process believes. It will permit development of economically balanced communities while eliminating project segregation and undue impact on local taxes. It will also spur the home building and home improvement industry, according to Greater Hartford Process.

An interesting new element that is taken into account in this approach is that while many families want to own their own homes, many others either find it impossible or do not want to have home ownership. To meet the needs of these people in the Hartford area, it is being proposed that the state mortgage authority expand its existing bonding capacity. This would generate a mortgage pool similar to the pool that is being developed privately in other instances. If the plan goes through, developers will be able to borrow from this pool at reduced rates for the low- and moderate-rent housing they produce. In Connecticut the state mortgage authority is authorized to sell bonds to stimulate production of housing for these income groups. At present the authority is using its funds to buy mortgages from existing financial institutions. The idea is that these lending institutions will provide additional funds for low- and moderate-income housing -- equivalent to the amount that the state purchases for this housing.

"In addition, the authority is now insuring projects, thus enabling them to have a high degree of certainty that 235 or 236 financing can be obtained from HUD," according to the Greater Hartford Process. The Connecticut legislature has given another boost to the total effort by passing a bill that will broaden powers of the mortgage authority. It will now be able to provide below-market interest rate loans to developers who build low- and moderate-income housing and by making seed money

available to non-profit corporations for planning and developmental costs. Greater Hartford Process also favors construction of market-rent units in conjunction with below-market rate units, so that mixed income projects are possible.

There is no comparable emphasis on low- and moderate-income housing production in bills now before the legislature in Sacramento. However, there is a provision for revenue bonds, and for seed money relating to these bonds in a Housing Finance Agency proposal now under consideration.

The Hartford, St. Louis and Pittsburgh metropolitan-area housing programs all take into account the idea that a Housing Development Corporation (HDC) can have positive influence on planning. Many other HDC forms have been evolved during the past few years, as vehicles for organizing and funding areawide or citywide comprehensive housing strategies, and several of these have had private as well as public inspiration.

A feature that appears almost universally in the new HDC forms is the idea of a revolving loan fund. These funds are meant to provide a source of loan funds to housing sponsors. In effect, the revolving funds are put together to cover preliminary costs for site options, planning, legal and organizational matters, architectural and engineering studies and FHA fees. The Non Profit Housing Center of Washington, D. C. judges that a maximum of five-percent of the estimated value of a housing

development is needed for these front-end items. It is one of the non-governmental entities that provides funds to developers of this kind of housing -- on a short-term loan basis. Up to \$1.5 million or more in capitalization can be generated by a \$50,000 advance, according to the Center. Such an advance is often raised through grants, gifts and contributions, and through negotiation for ten-year unsecured notes.

Given a privately-operated or quasi-public areawide housing development entity, responsibility for raising these funds can be infused into such an agency. This is possible in the Bay Area as well as in the other metropolitan areas that are now planning various types of HDC-like corporations meant to give new impetus to areawide responses to low- and moderate-income housing needs.

In Florida a statewide adaptation of the HDC idea is now under consideration in the legislature. It may offer possibilities for adaptation to a regional situation such as that in the Bay Area.

The Florida concept was developed by Mr. Raleigh Greene of St. Petersburg. The idea is to organize a private corporation of lending institutions, to enable them to pool assets for the low- and moderate-income housing. Members of the corporation would include banks, S&Ls and insurance companies and all would be invited to invest 1/4 of 1% of their assets in the corporation. The state would appoint six of

twenty-one directors; the share-holders would name fifteen.

"If only half of those with assets above \$25 million participate," says Mr. Greene, "the corporation can begin its work with a capitalization of \$30 million." He is confident that that amount in turn would generate \$225-250 million a year in housing financing. Mr. Greene and others who have studied this statewide formulation seriously believe that a new corporation of this nature will have the ability to make loans at below market interest rates.

A number of state actions are required to enable the proposed new corporation to operate, and these too are being considered in the legislature. One bill requires the governor to develop housing goals; another allows the state to sell tax-exempt revenue bonds for investment in housing; a third proposes a state housing finance agency to manage the bond money and to work with the private corporation. All of these proposals merit further study in areas that are considering ways to promote housing.

In New York, the Statewide Urban Development Corporation (UDC) operates with the cooperation of a twenty-four member Business Advisory Council consisting of bank, insurance company, brokerage house, manufacturing and union officials. A major function of the Council is to secure active participation of business and financial interests.

UDC also has the power to condemn real property and to override local ordinances. There are no direct subsidies, since all funds made available to the corporation are repayable. The State's role is to issue bonds that can be backed by debt service reserve funds, pledged as security. UDC has taken on the catalytic role in fourteen locations. As ABAG refines its housing plan it will be helpful for it to follow the UDC progress in New York, including the private role as the Corporation works towards its housing goals.

Some theorists are now arguing that as corporations consider their potential for participating in housing programs of this kind, they can also use their leverage when they negotiate for plant sites with communities outside of the central cities in a metropolitan area. Samuel H. Convissor of RCA Corporation suggests that corporations turn back to the new communities where they will locate a fixed proportion of property they buy. Space to be used for housing to meet needs of workers in the new plant would be a quid pro quo for the decision to locate in a particular community.

Mr. Convissor asks us to consider, then, the prospect for corporate leaders "to pool resources, to act together, to develop programs through which land can be purchased and turned over to regional housing councils." He points out that existing and new equal employment legislation requires that affirmative action be taken to provide workers with

suitable housing anyway -- and that the requirement suggests opportunity. He suggests that corporations work through their trade associations and civic organizations to encourage the action and legislation that are needed to solve metropolitan areawide housing problems.

In the Bay Area we are not without instances of privately-motivated action geared to the development of badly needed housing. The Bay Area Council, the San Francisco Chamber of Commerce and several major banks have given consideration to how they might affect housing needs for particular groups. Sponsors are giving thought to unified action to provide better housing, in more economically integrated situations. The need for more economically balanced populations, elimination of project segregation and new tax structures are known to be at the heart of meaningful areawide housing solutions. A regional housing plan will have to seriously address these issues, and the private sector can be extremely helpful in gathering data, and informing the public on areawide housing needs and decisions as a plan moves forward. The private foundations can also play a significant role. At present the San Francisco Development Fund home ownership project is among the most significant being undertaken in the area, partly because it is a major test of the direct financial assistance concept and partly because it takes advantage of new incentives for financial involvement by savings and loan associations who wish to provide a public need by financing housing

areawide for lower-income home owners.

Major Bay Area corporations in the past have also taken an active role in meeting primary housing needs. A notable instance is when the Golden Gateway project in San Francisco was in need of concerted private support if it was to get off the ground. It was under private funding that feasibility of the Golden Gateway was established. A study was funded by the Blyth-Zellerbach Committee's corporate members. The study reviewed the Golden Gateway project from all angles, in light of experience with similar developments in other parts of the country. The report prepared under their sponsorship "served as a rallying point around which the various interested elements of the community could gather," according to the Committee's present chairman.

Imaginative new incentives for involving private interests in a regional housing plan are now under some scrutiny. As a housing plan is developed in the Bay Area, all possible avenues for private involvement should be explored in depth. If this is done, there is the prospect that it will enhance federal support for the housing plan in the long run. In addition, the involvement of the private sector in the planning process will create a new interplay of wide-ranging forces in the Bay Area. If Hartford, St. Louis, Pittsburgh and other metropolitan centers are seen as action models, a great deal can be learned that may offer genuine benefits to the overall Bay Area community.

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